DOCUMENT RESUME

ED 455 443 CE 082 124

AUTHOR	Bonilla, Carlos A., Ed.; Righetti, Candace S., Ed.
TITLE	Hot Bodies 400 Corporation: A Simple Guide for Small Business Startups [and] Teamwork: Problems and Solutions Workbook. For What You Wear...or Wear Not! An ICA Publication in Business and Behavioral Science.
INSTITUTION	ICA, Inc., Stockton, CA.
ISBN	ISBN-1-879774-31-3; ISBN-1-879774-32-1
PUB DATE	2001-04-00
NOTE	149p.; Workbook written by Bennie Brasington and Carlos A. Bonilla. Workbook is dated October 2000. Color photographs may not reproduce well.
AVAILABLE FROM	ICA, Inc., 1020 N. Commerce, Stockton, CA 95202 (guide: ISBN-1-879774-31-3, $24.95; workbook: ISBN-1-879774-32-1, $11.95 (workbook) plus shipping and handling). Tel: 209-460-0622.
PUB TYPE	Guides - Classroom - Learner (051) -- Guides - Classroom - Teacher (052)
EDRS PRICE	MF01/PC06 Plus Postage.
DESCRIPTORS	Business Administration; Clothing Design; *Cooperative Learning; Course Objectives; Curriculum Development; Entrepreneurship; *Group Dynamics; Higher Education; Learning Strategies; *Problem Based Learning; Student Projects; Teaching Methods; *Teamwork

ABSTRACT

Many cooperative learning programs are merely exhibitions of the willingness to work with others. They apply teams of people to do work that could be accomplished just as well by individuals. Successful programs focus on collaborative learning that fosters working together to solve problems beyond the capacity of any individual. A cooperative learning project from a senior level course in human development required the class be randomly divided into eight teams (research and development, sales and marketing, advertising, internet sales, legal, human resources, board of directors, and consulting) and given the responsibility of working together, both as a corporate team and as corporation department teams, to create and run a mythical corporation. The students created the company's structure, designed the name, and discussed product development. Their job was also to come up with strategies and tactics to increase productivity, help with effective use of resources, and decrease costs. (The guide contains material that describes the corporation, its work, staff, and products. The accompanying workbook, in a question and answer format, presents some of the problems encountered and the solutions advanced either through student consensus or advice from the authors/teachers.) (JDM)

ED 455 443

Hot Bodies 400 Corporation: A Simple Guide for Small Business Startups [and] Teamwork: Problems and Solutions Workbook. For What You Wear...or Wear Not! An ICA Publication in Business and Behavioral Science.

Carlos A. Bonilla and Candace S. Righetti, Editors

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

- ❑ This document has been reproduced as received from the person or organization originating it.
- ❑ Minor changes have been made to improve reproduction quality

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

C. Bonilla

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

CE 082 124

BEST COPY AVAILABLE

HOT BODIES

For what you wear
... or wear not!

An ICA Publication
In
Business and Behavioral Science

CE0821124

For what you wear
Or . . . Wear not!

©April 2001

Editors

Carlos A. Bonilla, Ph.D., CPC
Candace S. Righetti, *Oh Yeah Designs*

Cover Design

Sherry Baker

Illustrator

Eric Affleck

The HB 400 Corporation

A Simple Guide for Small Business Startups

Copyright ©2001
All rights reserved. Printed in the United States of America. No Part of this book may be used or reproduced in any form or by any means, or stored in a database or retrieval system, without written permission of the publisher except in the case of brief quotations embodied in critical articles and reviews. Making copies of any part of this book for any purpose other than your own personal use is in violation of United States copyright laws.

For information or permission to reprint excerpts please contact:
ICA Inc.
1020 N. Commerce
Stockton, CA 95202

ISBN:1-879774-31-3
Library of Congress Catalog Card Number: 00-104999

Foreword

This publication is the result of effective communication and cooperative work between groups of students enrolled in a senior level course about human behavior.

The class is designed to study ***Group Structure and Dynamics,*** that is, to look at the advantages, perils and frustration which accompany work carried out by teams. In our class all the above became apparent: frustration within, and between a Board of Directors and project managers; imperiled projects because of, sometimes unavoidable, absenteeism. More obvious to you, the reader, is the tremendous success which cooperative work can accomplish.

Just think! This project was completed within a one month - (Yes, thirty days) - period; hard to believe, yet a resounding vote for the ability of human beings to put aside their pre-conceived notions, their biases and their frustrations for the benefit of the common good. So, to you, the readers of this work, the authors, illustrators and editors can only shout:

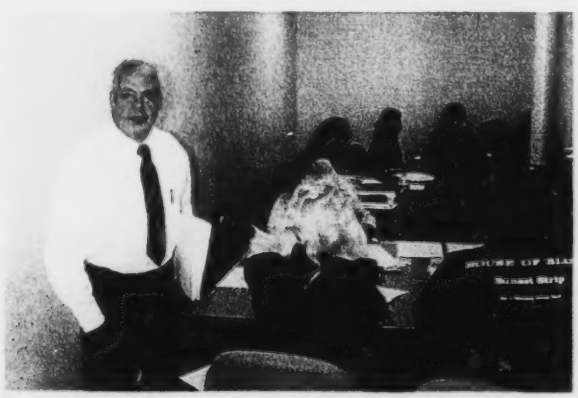
Carry on teammates!!

On the Nature of Teamwork

Although cooperative learning is, at times poorly practiced, research still supports its effectiveness. The concept "All for One, One for All and Every Man for Himself" effectively points out the misapplication of the concepts of teamwork in schools and the workplace.

The problem is that many cooperative learning programs are merely exhibitions of the willingness to work with others – they apply teams of people to do work that could be accomplished just as well by individuals. Successful programs focus on collaborative learning that fosters working together to solve problems beyond the capacity of any individual.

C. Bonilla



Team Players

And Teamwork

Teamwork is an increasingly popular management strategy. Organizations are discovering that departmental and cross-functional teams are the route to increased productivity, more effective use of resources, cost reduction, better customer service and rapid commercialization of products. But what makes a team effective? What are the qualities of a team player?

THE ESSENCE OF

TEAM DEVELOPMENT

- **FORMING**
- **STORMING**
- **NORMING**
- **PERFORMING**
- **TRANSFORMING**

Self-Managing Work Teams

Want to see productivity jump? Easy. Have your employees work together as a cohesive team. Xerox, TRW, Procter & Gamble, GM and other corporate behemoths have launched and nurtured the epitome of the team concept – The Self-managing work team.

These teams provide the flexibility and the speed companies need to compete effectively.

Entrepreneurial companies – such as Hot Bodies 400 – by their very nature often operate as self-managing teams; but, how well do these team efforts work? This publication is an apt tribute to their uncanny success.

What's in a Name

Plenty. A good name can promote your product or service and help your company carve out a niche in its desired marketplace.

Q **Why did you settle on the name "Hot Bodies 400" for your START-UP company?**

A **The course number is HB (Human Behavior) – 400 so Hot Bodies – 400 identified our work with this specific course.**

Additionally, it fulfilled the four basic elements of a good name.

1. **It speaks directly to our products' target audience.**
2. **It motivates consumers to buy our products.**
3. **It sticks in consumers' minds; it is memorable.**
4. **It is distinctive enough to prevent its unauthorized use.**

Critical Elements in new Product development

- **Adequate capitalization**
- **An innovative product that you alone are able to produce**
- **Close communication with the marketing/sales departments**
- **Identify customers' wants and needs**
- **Translating marketing research information and converting it to a marketable product**

-x-

CONTENTS

Forward	iii
On the Nature of Teamwork	iv
Self-managing Work Teams	vii
The Hot Bodies 400 Corporation	1
Company Background	2
Structure	3
Departments	
Research and Development	7
Sales and Marketing	18
Advertising	28
Internet Sales	39
Legal	43
Human Resources	58
Board of Directors	70
Consulting	87
Spring 2000 Collection	96
The Authors	102

The Hot Bodies 400 Corporation

722 W. March Lane
Stockton, CA 95207

1(800)HOT-BODY
www.Hotbody.com

Hot Bodies 400 is a women's lingerie designing company. Hot Bodies is a privately held company founded on April 1, 2000 by the Board of Directors, Human Resources, Legal Department, Research & Development, Sales & Marketing, Internet Sales, and Advertising. The Company is located in Stockton California, USA.

Hot Bodies 400 Corporation

Structure

The HB 400 corporation, a mythical start up company, is comprised of seven self-managing work teams each with five members including a project director.

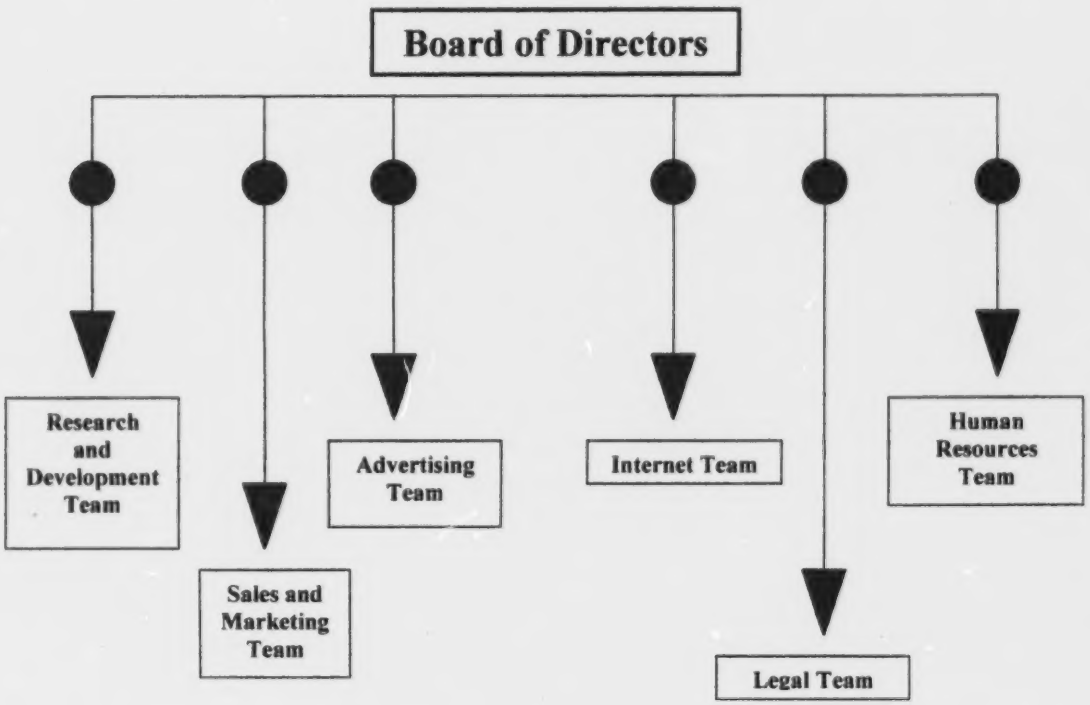
Quoting Tom Peters, author of ***Thriving on Chaos***

The self-managing
teams should become the basic
organizational building block.

As it should be, top management (Professor Bonilla) and the Board of Directors essentially left the teams alone, as long as they met or exceeded the established goals.

Bonilla and the Board retained authority over strategies – ***the what*** – but each team assumed authority over tactics – ***the how:*** executives focused on setting strategic direction for the company and its teams, while employees focused on product development, efficiency, effectiveness, quality and productivity.

The HB 400 corporation, a small company, should – in the future – be able to maintain its entrepreneurial edge by remaining fluid, capable of quick change and adaptable to the needs of its self-managing teams.



Departments

New Product Development

Despite the best intentions and efforts of everyone involved, most new products or service launches never get off the ground. Why? Because they lack a systematic approach to idea generation and development!

Brain Storming

Hot Bodies 400

Research and Development

Team 1

Nancy Nunes
Jennifer Fratta
Jennifer Wimmer
Kerstin Nance
Esther Cardoza

The Research and Development (R&D) team's job was to develop a new line of lingerie focusing on six styles. Our first venue of business was to prepare a questionnaire to determine what men and women would be interested in purchasing. We produced two questionnaires which combined the desires of the consumers (see Addendum A and Addendum B). With this in mind we formulated our mission statements "To serve our customers by providing a product of the highest quality in existence. To develop a product which enhances and nurtures the lives of ***all*** women in our community, country and world, with diversity and cultural ethnicity."

When we presented the questionnaire to the Board of Directors, they informed us this was not our job. This was difficult to perceive, since we were already developing the product line. The Board of Directors also mentioned we should develop a line for sizes 2 – 10. At that time it became apparent we no longer were adhering to our mission statement by enhancing the lives of ***all*** women. At the Board's request we submitted our designs to the Marketing Department for review.

Marketing selected designs they could use. One team member stated, "I'm holding out because I don't see any full figure women in here." We assured her the designs would meet the needs of all full figured women, ranging from sizes 2 – 20. At this point, the Advertising Department informed us they wanted to go on with the selling point of "mood changes." By "mood changes," they explained, that depending on your mood the lingerie, or swim wear, would start out as a neutral color then change to a vibrant color to suit the new mood. Through lack of communication, the Advertising department developed its own line of color and products they intended to sell. Their department overlapped into our area of expertise and those of us in R&D left the meeting feeling very frustrated.

All departments had a meeting with the head of the Consulting Team serving as mediator. Staff from the various departments determined the Board of Directors was too dictatorial and more freedom was needed to do their jobs. At this meeting it was clarified what part Research and Development would play in Hot Bodies 400: to create and develop a product line to meet the desires of ***all*** women. Internet Sales Department

efforts became evident in the displays of Petite Boutique, Average and Plus Size Boutique, utilizing our six product styles.

In choosing what type of lingerie to market, analysis of our consumers' questionnaire, staff showed women who were not a size 6 would purchase nonetheless underwear which allowed them to feel sexy. At this point R&D's sizes included XLs. In analyzing what the competition had to offer and what was in style, we chose to not only offer lingerie in large sizes but bathing suits as well! Our panties and bras are not only "HOT," they are for everyone. Our product line was expanded to include slips and camisoles for the working woman who likes to dress up and feel sexy at the same time. Everybody loves to swim in the summertime, so why not make a swimsuit to hide what needs to be hidden? The swimsuit would either accent, or camouflage, certain areas. All in all, we selected essential pieces our research showed women would absolutely wear and made them in a wide range of sizes to fit the "Modern Woman."

Bras and Underwear

The styles we developed vary. All these bras come with adjustable straps.

- Deep V cups
- Demi Bra
- No wire soft cup with stretch padding
- Unlined bull coverage bra with underwire cup
- New Bustier
- Strapless Desire bra

In underwear we have sexy panties that come in a variety of styles and fabrics.

Styles:

- Signature cotton lingerie
- Thong
- String Bikini
- High Cut Briefs
- Control Briefs
- New Boy Cut Brief Shorts

Fabrics:

- Lycra
- Stretch Lace
- Sheer Stretch
- Second Skin Satin
- Spandex
- Imported Cotton Knit

These items come in all sizes: XS, S, M, L, XL, including Plus sizes, all colors including print, Shimmery Glow and Glittery Style. We have created high diversity within our lingerie line.

Camisoles and Slips

We have developed a comfortable cotton camisole with hidden shelf bras. Half slips in a sensual glow of Satin to comfort any size and length in 17", 18", 31", and 33". We have body shapers to help in the areas where needed. If you need a tummy tuck, a hip slimmer or are in need of a rear enhancer, we can make it. We have what you want to comfort your shape. We will make sure you feel great in what you wear. We have developed an Empire full waist plus size slip for those who want to feel "HOT" and look good too!

Swimsuits

We decided to design swimsuits that could come in a variety of colors, fabrics and sizes. We make these in one and two piece bathing suits. As our catalogue shows, we chose a wide variety of swimsuits. For today's woman the teeny tiny petite – the medium size – and voluptuous woman. For example, in petite we have a two piece string bikini made of Lycra, silver in color. This particular suit is accenting with a matching mesh cover up. We created a cultural effect with a hot denim number which is stylish. The consumer can add a sarape wrap and crop jacket to set it off nicely. From our exclusive Hot Bodies collection is our metal ensemble with the triangles sure to enhance anyone's bust line, and a sheer lace cover to wrap it all up. Remember, anything you see here today can come in any size, fabric or color!

Fabric and Colors

What makes you feel sexy? Here, at Hot Bodies 400, this question will never go unanswered: we have a large array of fabrics and colors. We offer shimmering metallic shades of silver, copper, metal and gold. We have scanned the globe for the best of domestic and imported fabrics, such as cotton, polyester, nylon, Lycra, and spandex. From leopard to leather, diversity is the key to our success.

The object of our styles and fabric is to support individual desires. These are just some of the colors and fabrics we offer. Every style can be made in any color and/or fabric. We are able to customize your lingerie and swim wear. Our knowledge and

expertise helped us develop a product line to enhance and nurture the lives of all women. Of excellent quality, our lingerie will achieve world fame.

Our vision for Hot Bodies 400 is to enhance the line by venturing into accessories: shoes, scarves, hats, jewelry, nylons and a men's line. With the type of product we produce we expect success in these areas as well.

The Making of a Collection

Kerstin Nance
Nancy Nunes

Kerstin Nance
Esther Cardoza
Nancy Nunes

Addendum A:

HOT BODIES 400

Questionnaire for Women

Please circle all that apply:

1. What fabric do you feel comfortable in?

   Cotton Denim Silk Leather
   Satin Metal Lycra Polyester

   Comments:

   _____

   _____

   _____

   _____

2. Do you feel comfortable with any of these on bras and panties?

   Lace Sequins Glitter
   Shimmer See-through

   Comments:

   _____

   _____

   _____

   _____

3. What shape do you prefer?

Demi-cut w/padding	Soft-cup w/padding	Full-cup w/padding
Demi-cut	Soft-cup	Full-cup
Criss-Cross	Wire	Lift
Padding all over	Padding only at the bottom	
Front Close	Back Close	No padding

Comments:

_____

_____

4. What do you feel "HOT" in?

_____

_____

_____

5. What would you like to see in a catalogue or on-line? Styles of bras? Styles of panties? Styles of swim wear?

_____

_____

_____

6. Do you like body-shapers (slimmers, tummy tuckers)? What works for you?

_____

_____

Addendum B:

HOT BODIES 400

Questionnaire for Men about Women

Please circle all that supply:

1. What fabric do you prefer on women?

Cotton	Denim	Silk	Leather
Satin	Metal	Lycra	Polyester

Comments:

_____

_____

_____

2. Do you like to see any of these on bras and panties women wear?

Lace	Sequins	Glitter
Shimmer	See-through	

Comments:

_____

_____

_____

3. What shape do you prefer on women?

Demi-cut w/padding	Soft-cup w/padding	Full-cup w/padding
Demi-cut	Soft-cup	Full-cup
Criss-Cross	Wire	Lift
Padding all over	Padding only at the bottom	
Front Close	Back Close	No padding

Comments:

_____

_____

_____

4. What do you think looks "HOT" on women?

_____

_____

_____

5. What would you like to see in a catalogue, or on-line, for women? Styles of bras? Styles of panties? Styles of swim wear? Do you think we should include men? If so, what would you buy for yourself? What would you like your favorite lady to buy for you?

_____

_____

_____

6. Do you like body-shapers (slimmers, tummy tuckers) on women? Do you think this is necessary for women?

_____

_____

_____

_____

Successful teams have members with different skills and personalities.

17

Hot Bodies 400

Sales and Marketing

TEAM 2

Sunni Grant
Edward C. Mata
Dan Walters
Stephanie Ramirez
Charlotte Hunter-Brown

We, the Sales and Marketing Team,
Understand that marketing to
Members of minority groups is a
Successful niche strategy. These
Markets are fast-growing,
Increasingly prosperous and loyal.

They are easy to reach with a
Marketing plan like ours which
Addresses their unique needs.

Marketing Plan for Hot Bodies 400

Hot Bodies 400 (HB 400) has been formed to create and develop quality women's lingerie. The market for lingerie is growing rapidly and new market niches have been observed. The focus of HB 400 is to offer women high quality, nicely fitting lingerie with added value.

The HB 400 product lines features a breakthrough in its "Boardroom to Bedroom" Collection (B to B). Women are treated to a unique experience. This assortment of stylish bras and panties will for example be white in color when a woman is getting dressed for the office in the morning . . . when on a date later that evening, her body temperature rises and the color of her lingerie changes to pink, emphasizing her mood toward romance.

The newest in swim wear will also offer women adventure. When on the beach, or at pool side, the color of the "Splash of Color" swim suit will be, for example dark blue… but as those admiring eyes follow her into the water her suit changes to bright green.

The unique B to B, and Splash Collections will be offered to all women seeking premium quality lingerie and swim wear with style. HB 400 will also carry a complete line of bras, panties, slips, and hosiery in the latest styles and colors. Special focus will include market niches such as wedding lingerie.

Hot Bodies 400 will initially avoid the retail store marketplace where national and co-op advertising campaign support are required. Wholesalers and retailers are often more interested in marketing support and name recognition benefits, features and values.

HB 400's premium line of lingerie will be sold direct through trade shows, internet, telemarketing, and catalogs in a carefully targeted marketing campaign. The premium HB 400's lingerie product will be placed at the medium-high pricing level offering a large target consumer segment. We will provide true quality and value insuring a solid repeat customer base. Our name will be closely associated with quality and remain a value market without the retail middleman inflating prices.

1. **Markets** – Women's lingerie and Swim Wear

The women's lingerie/swim wear market is growing double digit (+10%) per year and is expected to continue to grow in the future. The market is estimated at $11 billion for the United States (US) alone. Recent trends indicate that retail and catalog sales increase using the Internet.

2. **Market Segmentation**

The lingerie market is divided into two primary segments: the premium brand name, high quality bras, panties, slips and hosiery, and the basic lower quality women's underwear segment.

a. ***Basic Lingerie Segment*** – Women in this segment are shopping for function. They require competitive pricing, easy access. They required a basic level of quality in the lingerie they purchase.

b. ***Premium Lingerie Segment*** – This market includes consumers who demand a high quality of lingerie, usually – but not always – associated with a recognized brand name. Women look for more than just the basic function. They want high grades of fabric that wear well and feel good, and enjoy the styling and romance offered by premium lingerie. They require being "sold" or convinced that the premium line of lingerie is worth it, but will pay more for this added value.

3. **Consumer Analysis**

The target group of consumers for the HB 400 products is comprised of women who already purchase premium lingerie. They typically are familiar with some of the quality brands, receive lingerie catalogs, shop at Victoria's Secret or fine department stores. They are looking for new styles, high quality (or perceived high quality).

While the target group is increasingly buying lingerie at retail outlets, many buy it through mail-order catalogs and quite a few order on-line. The targeted group of women do buy on impulse, but typically are looking for certain lingerie items. They are looking for quality and have been pre-sold through advertising. Upgrading through promotions often occurs: buy three get one free or buy a certain dollar amount and get a free gift, for example.

The target consumers tend to live in suburban or urban areas. They are typically women; age 20-55. They have a disposable income allowing for extra spending on premium products. They typically are working women who subscribe to two or more women's magazines. Often, they watch more television or listen to the radio while commuting in their cars.

4. **Product Features and Benefits**

Several "front runner" competitors are already established in this premium lingerie marketplace. They offer similar benefits and features at higher prices. The HB 400 products are great looking, high styled, have a good feeling fabric and fit well. The latest of popular colors are used each season. The product wears well and does not wear out. HB 400 product is fully guaranteed and is backed by a healthy warranty, unlike Internet or retail stores. This special touch will be incorporated in our ads, catalog, and web page.

Our customers are motivated by promotions offering perceived value such as buy three get one free. To gain loyal customers, the marketing group at HB400 will offer initial free introductory gifts to get customer comment cards, and regular targeted promotions focused on our customers' preferences.

5. **Strengths:**

a. ***Research and Development*** – As shown by the features of its first products (Board to Bedroom and Splash of Color Swim wear), HB 400 has a strong competitive edge in its product innovation capabilities. These products are a leap ahead of its competitors. These collections will offer quality with the difference that women will notice. This strength should help HB 400 keep ahead of its competition in the future.

b. ***Fast Development Cycle*** – Even with a product offering superior qualities, HB 400 was able to create its first premium product from scratch in a very short period of time. This, combined with talented designers, will enable HB 400 to maintain a leading edge with innovative collections of lingerie.

c. ***Close to Market*** – Our entire staff has long term experience in the lingerie business and stays in close touch with many in the industry. We

are made up of a diverse background and have associates globally, many in fashion centers. We are passionate about our products and constantly stay informed of the newest trends.

6. **Weaknesses**

   a. ***Financial:*** even after raising the additional planned funding, the company will be substantially less well-capitalized than some of its competitors. This will make it difficult to finance the national advertising and promotion campaign that would be important if the company were to try to obtain shelf space at fine department stores nationwide.

   b. ***No marked presence:*** HB 400 currently has no products launched in the market. There is no relationship with resellers. This contrasts with several competitors who are already selling lingerie through many outlets, including retail lingerie stores, department stores, established catalogs and web sites.

   c. ***Small Sales and Marketing Staff:*** The current department is made up a small yet experienced team of five. We will need to recruit the entire company for required initial marketing blitzes.

7. **Sales**

HB 400 will sell its premium lingerie via direct-mail catalogs and through a premier, easy to use, web site. Direct-mail catalogs will be sent to the target market segment by purchasing specific mailing lists that match our potential customers. To prompt customers to order direct, HB 400 will accept orders on the Internet and via a toll-free 800 line, credit cards or check-rite. Our best customers will receive great service with regular contact mailings.

8. **Advertising and Promotion**

Because its budget is limited, HB 400 will keep the message simple, emphasizing the new product line's unique features (change of color) and repeating the message often. Initial ads in women's magazines will be small, but repetitive (1/8 page max). Ad copy will point out unique features and quality and encourage sending for our catalog or visiting our exciting web page.

9. **Pro Forma**

Type of Promotion	Progress/Plans
Media Advertising	Popular women's magazines, Internet, newspapers ads
Publicity	Prepare press kits to all editors, regional TV stations, trade associations
Trade Shows	Display and also attend industry leading lingerie shows to promote line.
Brochures/Catalog	Very professional, consistent use of logo, high quality, sell value added.
Technical Bulletins	R & D and sales continuously submit articles to editors for publicity
Web Site	Easy to use and appealing
Direct Mail	Purchase target market mailing lists, stay in constant contact
Sales Campaigns	Utilize entire staff to show strength
Training	Training of our customers, sales people about benefits of our lingerie
Presentations	Prepared to show product benefits and also for investors
Sales Tools	Laptops, demonstrations, PowerPoint presentations, catalogs, samples
Face-to-face	Visit our customers anywhere possible, listen to needs, trade/fashion show

Press releases will emphasize B to B and Splash unique Features. This will also include technical reviews and testimonials that will impress magazine editors. Packaging will be high quality, colorful . . . using the distinctive HB 400 logo. Market/Sales campaigns by all company staff will encourage excitement and should achieve the established business image we desire. This will include telemarketing trade shows, Internet responses, fashion shows and presentations.

BEST COPY AVAILABLE

10. **Competitive Reaction**

By positioning HB 400's lingerie as the premier product line toward the upper end of the price range, any price cutting by competitors will only reinforce HB 400's premiere position. We want to be the best, but offer true customer value for their money, not just "perceived value."

Even though our competitors continue to utilize expensive stores, magazine ads and catalogs, these will not likely have much impact as we focus on our target market niches and are quicker to market with innovations. All the departments of our company make up intelligent industry leaders.

11. **The Future**

Because HB 400 is relatively weak in the areas of mass marketing and financial depth, it will rely upon continued product innovation to remain viable. Sooner or later competitors will mimic HB 400's features. However, HB 400's Research and Development and fast-to-market capabilities will allow it to stay one step ahead of competitors. And each new product will gain publicity for its products.

We will continue to expand our Hot Bodies 400 brand awareness in the markets we serve. Beyond our initial success, plans include heavy re-investment into Research and Development toward achieving their goal of becoming a "household" name.

Stephanie Ramirez
Charlotte Hunter-Brown

722 W. March Lane
Stockton, CA 95207

1(800)HOT-BODY
www.Hotbody.com

PRESS RELEASE:

For additional information, please contact:
Charlotte V. Hunter-Brown
Hot Bodies 400
722 W. March Lane
Stockton, CA 95207
(800)HOT-BODY

"From the Boardroom to Bedroom Collection. Splash of Color Swim wear and women's lingerie"

Stockton, California, April 4, 2000 – Hot Bodies 400 lingerie company has designed and fabricated a new line of very unique lingerie and swim wear is beautiful and the lingerie is stunning

The "Boardroom to Bedroom Collection" is made of innovative fabric that changes colors with the mood. Also for the individual who is not so daring, we have a line of swim wear and lingerie for the conservative woman.

It is so difficult to find lingerie and swim wear that is not only fashionable but also reasonable and made of quality fabrics. For those who are looking for new avenues to explore in gift gifting, our line would be perfect. For the HB frequent shopper we have coupons and specials as tokens of our appreciation.

Hot Bodies is a new company that designs unique and traditional swim wear and lingerie. Hot Bodies was recently established and is located at 722 W. March Lane, in Stockton, California. Telephone orders or requests for additional information are welcome. Either call us at 1 (800) Hot-Body or see us on the web @ www.Hotbody.com

722 W. March Lane
Stockton, CA 95207

1(800)HOT-BODY
www.Hotbody.com

April 22, 2000

Dillard's Department Store
Jane Doe
1201 Pacific Avenue
Stockton, CA 95207

Dear Ms. Doe:

With summer approaching fast upon us, I'd like to share with you and your colleagues the line of lingerie and swim wear that can put a smile on the face of anyone. All of our creations, available from ***Hot Bodies***, are original designs fashioned with stylish charm in a variety of colors and fabrics. They are truly amazing.

One very special selection we feature is our ***Boardroom to Bedroom*** collection. This innovative fabric of lingerie changes colors with the wearer's mood. The fabric starts out as white in the morning while dressing for work. . . and later, on a date, as her body temperature rises, the lingerie changes to another color.

It is so difficult to find swim wear that fits properly. We have a variety of sizes ranging from 2-20. Our swim wear and lingerie would make an excellent bridal shower gift, anniversary gift or "just for fun" gift.

I will contact you early next week. I'd like to meet with you and share the ***Hot Bodies*** collection with you. I'm sure that, together, we can bring an awareness of unique fitting giving opportunity to your customers.

Thank you for your time.

Sincerely

Charlotte V. Hunter-Brown,
Marketing Manager

Enclosures

Hot Bodies 400

Advertising Department

TEAM 3

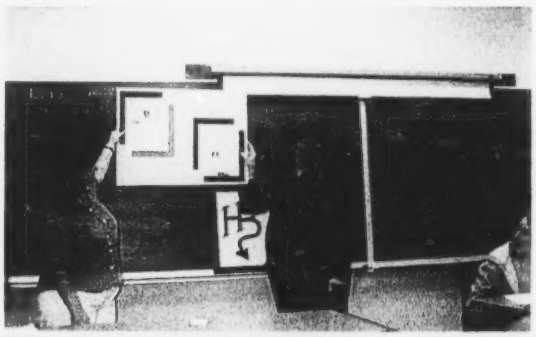
Amber Anderson
Sherry Baker
Susan Davidson
Theresa Dubuque
John Balacek

When the Advertising team was first introduced to Hot Bodies 400, Inc. our minds stirred with curious excitement. Ideas began to run rapid but one thing stood strong . . . Hot Bodies was going to be the hottest lingerie company around. The Advertising team was serious in making sure this would happen. Our main goal was to introduce Hot bodies to the world and to get our name known through unique products.

Our objectives included: bringing advertisers and potential customers together; inform the public of our unique, high quality, affordable product lines; persuade favorable attitudes towards our product line; encourage individual buying actions; remind the public of our product lines, and create returning customers.

Advertising team members agreed that all women hold a kinky little devil inside, whether or not they want to admit it. That is why we chose to devilish logo with the initial HB in red lame' with a curvy devil's tail that accentuates our mischievous line of lingerie and swimsuits. The Hot Bodies logo will become a recognized symbol among women between the ages of 20 and 55. Our motto, "You are what you wear . . .or wear not!" captures the attention of all potential customers.

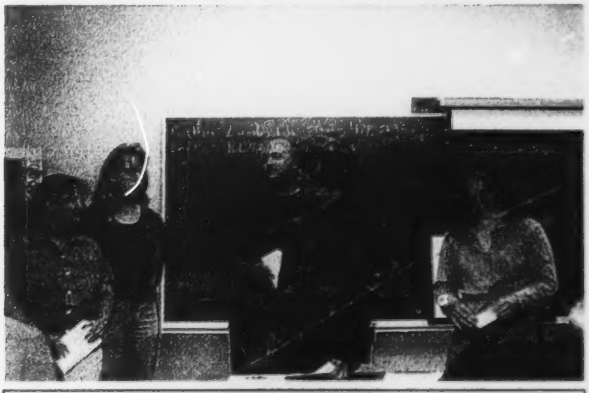
We decided to use three major campaigns to promote our product lines: Boardroom to Bedroom Collection, our Splash of Color Swimwear, and the unique wedding lingerie line. The Boardroom to Bedroom Collection features everyday women proving that, not only do they control the boardroom, but at the end of the day, they also control the bedroom. This campaign emphasizes our temperature-sensitive color changing underwear that runs to a warm, bright hue when the heat is up and you're "in the mood." Our Splash of Color Swim wear features temperature-sensitive swim wear that turns into patterns and designs in both warm and cold water. Our final campaign will be our wedding line which includes lingerie for the bride on her special day.



Amber Anderson
Susan Davidson

To promote these products effectively, the Advertising department chose colors that would produce the greatest positive psychological effect: colors such as red, orange, and magenta for our starting line, which are considered warm in nature and produce feelings that are inviting, exciting, and passionate.

The Advertising team created interest in the HB 400 company through intrusive advertising. Our "look" stirs a special appeal in women… and men, which is attractive and irresistible. The style, colors and appearance of our collection casts a spell on the beholder. HB 400 has charisma, which made it easy when preparing story boards, artwork layout and copy for the Advertising presentation (See the publication layout).

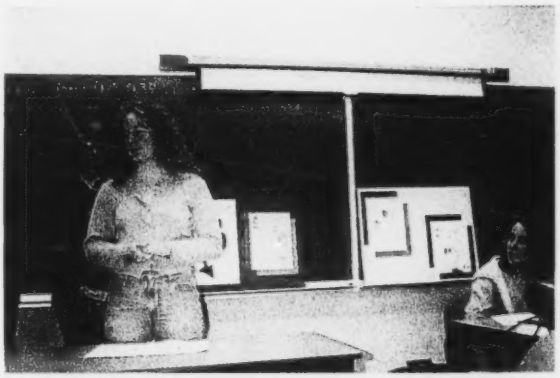


Amber Anderson
Sherry Baker
John Balacek
Susan Davidson
Theresa Dubuque

Our advertising strategy was to create a campaign that would reach as many women as possible through various types of media, and would encourage them to purchase our products. We decided on three main types of media: direct mail catalogues, women's magazines and the Internet. Direct mail can be most effective because it can reach almost every market group depending on the mailing list. Mailing lists can be purchased for a small fee so not only is this an effective approach, but economically sound as well. We chose women's magazines because they are a more prestigious way of advertising than newspaper ads and they also allow for high-quality color reproduction. Magazines also provide a forum to reach our main focus group: women with a disposable income. The Internet is the newest form of media available and sales in the last few years have skyrocketed (see pages). Using all of the above-mentioned methods our basic plan was to let women know we offer a high-quality, affordable product that can be both comfortable and sexy.

Developing a time line for advertising is a strategy to be kept consistent with the objectives. Although it is not always the responsibility of the advertising department to create the advertising budget, we believe it is essential that everyone in that department know what it consists of and how to create one. By planning the media advertising, one must design a plan that shows how time and space will be used to accomplish these marketing objectives. Three approaches that can be taken are:

- The consistent Monthly Method allows equal monthly sales over the year. With this plan the business focus is geared more to consistency each month than promotional investments. Equal monthly expenditures can be determined by dividing the budget by 12 and allowing for media purchases based on the quotient amount.



Susan Davidson and Theresa Dubuque

- The Quarterly Promotion Method strategically places promotions several times during the year and allows for budget allotment to cover them. This method concentrates on beating the competition with hard-hitting sales for three or four weeks and then holding off until the next promotions. It is also effective in getting and retaining the public's attention, as promotions are continuously offering customer benefit.

  The promotional method requires sales to be allotted on a quarterly basis that is most beneficial for the business, such as first quarter "Super Sale"; second quarter "Anniversary Sale"; third quarter "Big Sale" and fourth quarter "Holiday Sale." An alternative could be 10 sales divided up throughout the four quarters.

- The Consistent Promotion Method combines the benefits of consistency supplying the sale message to the public with the advantages of holding several promotions per year. The annual budget will drive whether promotions are per month, per quarter or several times per quarter.

Establishing an advertising budget is necessary for advertising to be effective. It must be well-conceived, well-executed and consistent. Advertising is not a luxury. It is most necessary when sales are down. Sales budgets should be flexible to allow pulling together a hard-hitting promotion during slow months and should be based on location, and the competition; it should allow a change in product line or expansion of the business based on industry averages and should be based on location and the competition. Six approaches to developing an adverting budget include:

1. **Spend All You Can Afford**

   The more financial method of "all we can afford" is rather arbitrary, and more a luxury than the marketing approach. No real formula is used to match dollars with results. This method is inconsistent and leaves the company vulnerable to spend widely and later miss real opportunities.

2. **Percent of Sales Allotment**

   The percent sales formula approach to advertising is the most commonly used method, which is determined by using the previous year's sales as a base, usually 1-2 percent, and allotting a percentage each month for advertising. It is simple and easy to figure allowing increases or cuts in expenditures based on actual sales compared to projected sales. Its weaknesses, however, do not provide room for future forecasting, increased advertising business or costs. When using this method, it is wise to provide a generous percentage, especially when competing wit a larger company, introducing a new or improved product, or expanding storefront capacity. A variation, the "unit of sales method" determines the advertising dollars spent on unit of goods sold instead of dollar sales.

3. **Match your Competitors Advertising**

By trying to match the competitor's advertising, the budget may suffer unless the competitor is just starting out. Another danger to this method is the defensive tactic of imitating the competitor instead of using the more assertive approach of advertising the unique features of the product or service. It is wiser to stick with what the company needs, and what's best for the company, with a realistic budget in proportion to actual or projected sales. Ideas for matching competition are to offer incentives to buy your product, such as "buy three, get one free" and discount coupons.

4. **Invest for Future Profits**

This method is used primarily when introducing new products or services. It uses advertising as an investment with the hope of future profit, it is a progressive, forward-looking move, which can prove risky. When starting a new business, expenditures will always exceed sales income because profits are re-invested into sales activities. It may take longer to see a profit in the company. Some smaller businesses do not make it through this phase of establishment.

5. **The Objective and Cash Method**

Most advertising specialists agree this method is the best. Planning an advertising budget can determine the amount of money needed by deciding advertising costs on when and how it will be spent. Specific objectives are identified, such as increasing a particular line of product or certain model and targeting a specific age group or community.

One of the dangers? Becoming too ambitious! Aggressive advertising ideals may cost much more than can be afforded. When this occurs, the budget must be revised to a more realistic advertising plan, which can still be successful and profitable. Remember to be flexible to take advantage of special opportunities, unusual marketing conditions, or to improve sales during slow months.

6. **Cooperation Advertising Method**

Cooperative advertising is an arrangement between manufacturer and distributor (retailer). The manufacturer advertises brand-name products to persuade people what to buy. In order to tell people where to buy the product, the manufacturer offers to share the cost of local advertising with the distributor. Advantages for the manufacturer are lower advertising rates and bigger sales to the distributor, who will stock more brand-name products to sell. The distributor will profit by larger sales and lower cost to advertise; usually the cost sharing agreement is 50-50.

The primary disadvantage to cooperative advertising is its high administrative costs and time involvement. Also, enforcement of the plan can put a strain on manufacturer/distributor relationship. A plus, however, is increased advertising exposure without increasing expenditure. Using repetitive advertisements can save on preparation.

Amber Anderson
Sherry Baker
Susan Davidson

In deciding on an advertising campaign, the team learned to reach consensus by hashing out ideas and listening to all suggestions, even when not all the team members were present or engaged. The team manager encouraged all team members to "work it out" through safe confrontation, to develop trust and to be flexible in working together for the "good of the company." Together, the advertising team developed and implemented a dynamic advertising campaign that introduced Hot Bodies 400 company to the public through unique products, catchy tag lines and a very devilish logo.

You are what you wear. . . or wear not!

Hot Bodies!

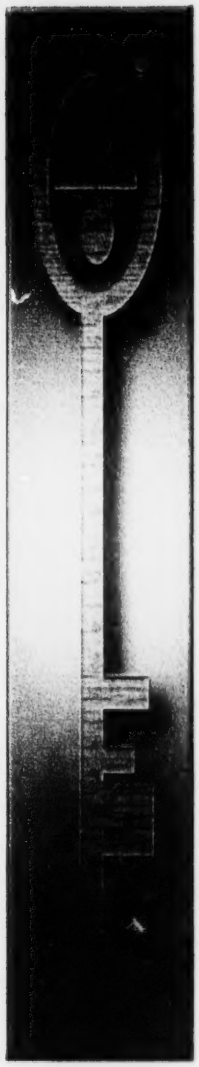
Female Entrepreneurs and the dot.com Land

Lisa Crane, CEO of the Internet music firm soundbreak.com says:

> ***The Internet on all levels is a much more democratic and level playing field. It's more about smarts, drive, passion than who you are, ethnically and gender-wise.***
>
> San Francisco Chronicle
> April 23, 2000

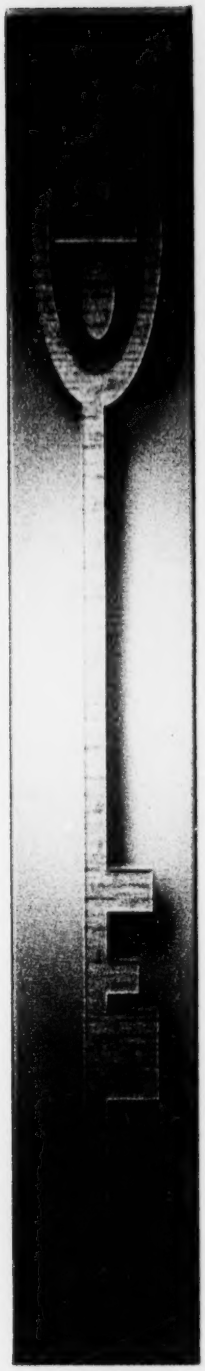
Marketing has always been more female-oriented than, let's say, engineering. So it is obvious that the Internet, which levels the playing field, is a perfect conduit for entrepreneurial women to exercise their abilities and skills in the R&D, sales, marketing and advertising fields, to name a few.

C. Bonilla



NUMBER OF WEB USERS

Year	U.S.(in millions)	Worldwide (in millions)
◆ 1997 (actual)	38.7	68.6
◆ 1998 (Est.)	51.5	97.2
◆ 1999 (Est.)	66.5	131.5
◆ 2000 (Est.)	87.8	173.5
◆ 2001 (Est.)	106.8	227.7
◆ 2002 (Est.)	135.9	319.8



WEB COMMERCE ON THE RISE

Year	*Online Sales (in millions)*
◆ 1997 (actual)	$7.6
◆ 1998 (Est.)	21.5
◆ 1999 (Est.)	46.1
◆ 2000 (Est.)	94.9
◆ 2001 (Est.)	176.8
◆ 2002 (Est.)	333.1

Why Our Business Makes Use of the Internet

- Low cost
- E-mail for long distance
- Customer support
- Open for business 24 hours a day
- Global reach
- Reach Customers that speak a foreign language
- Try new ideas
- Update and change the products & services easily & at low cost
- Announce specials
- Accept on-line orders
- Provide product information

Hot Bodies 400

Internet Sales and Website Design

Team 4

Leticia Mendez
Marie Moore
Rachelle Schwerin
Brad Leggs (Not Available for photo)

The World Wide Web is growing rapidly. The Internet is one of the most cost effective ways to advertise. Companies are able to advertise their products, not only locally, but internationally. Millions of people all over the world have access to the Internet and shop on-line.

Why your company must use a Web Site

Internet Sales are tremendous and continuing to grow. Companies, large or small, should take advantage of this form of advertising. Internet utilization for your business is cost effective. The Internet can save money in many different ways.

First, start with the actual operation of the Web Site. A simple Web Site costs about a dollar a day to operate. E-Mail can be used instead of long-distance phone calls: Your company can communicate with people anywhere in the world without having to pay long distance fees. Any type of information can be sent to remote locations, representatives, or customers quickly and at no cost.

A company can use its Web Site as an information center for their customers. It can provide customer service support and answers to questions the customer may have without answering phone calls or hiring additional staff members. A Web Site means your business is open 24 hours a day. This is a big plus for any business, especially if planning to market internationally; customers can purchase items at their convenience and not just during business hours.

The Internet is accessible to millions of people who can purchase your products; Web Site offers significant savings in comparison to the cost of advertising in a newspaper, magazine, billboard, or television. A Web Site is very versatile, changes can be made at any time, new ideas incorporated. Changing the page contents is easy and inexpensive.

Now that companies can take orders from their web page, on-line customers are concerned with security issues when making purchases, but they need not worry. Theft of credit card numbers over the Internet is fairly low. With a Web Site on the Internet a small business can compete with any other business and the size of a company does not matter. What matters is that you have what customers want. No question about it: The Internet is a big plus for any business!

Web Site Design/Marketing Ideas

One of the many challenges in Web Site design is getting potential users to notice it. Try to convert potential visitors into customers. The main idea is to get them to stick around long enough to see what your site has to offer. Hopefully, those potential visitors will turn into customers.

Designing a successful. Web Site can be complex. It is imperative to know what you want to gain from a presence on the Internet. The question is: what type of marketing tools can your company use to attract visitors to the Web Site and what will keep them coming back? The success of a Web Page depends on how well it is thought – out and planned. When organizing a Web Site, take the time to illustrate an outline of the Web page design. Sketch out what the contents of the pages will be and, if there are any links between the pages, draw them and explain why they are needed. The design should be the foundation of your goals. Always remember: the Web Site is an extension of the company and the product it represents.

Fundamentals for all Web Site designers

- Your site must be attractive and leap from the pages. The most eye catching Web Sites have a precise appearance, they make sure the audience understands the message that is being delivered.

- It should be simplistic in nature. The Web Site must be easy to use and uncomplicated for the visitor to navigate.

- Keep the homepage simple. Someone who is puzzled may just leave. Visitors must be instantly presented with a description of what the site has to offer.

Design a Web Site that not only meets the company's needs, but the customer's needs as well. Updating your Web Site frequently encourages visitors to return. A site will not cultivate or enhance the product if it is not constantly updated. Most important,

your home page must load quickly. Visitors will not wait. You have under a minute to gain and keep a visitor's attention.

There is still the task of choosing an Internet service provider. There are many providers to choose from but the main thing to find out is what will it, the provider, offer? How much technical support can be expected?

The cost depends on the size and space your company will need to run its Web Site. To be successful takes more than just a fancy page. The real work is in the marketing of the product and success demands very skillful design.

Once the Web Site is up and running the next step is to build and sustain traffic to your site. Forrester Research notes that the most used sources for finding Web Sites are: search engines, e-mail messages, links from other sites, and personal referrals. It goes without saying, that Web Sales are directly related to traffic.

Extend your Web presence to the offline world as well. Include your URL on everything from the telephone answering machine, to business cards. Any advertisements are sure ways to get your business noticed. Developing an e-mail-based newsletter can generate a mailing list of more than six thousand customers. This brings traffic and sales. A "signature" and your URL should be on every message that is sent. This "signature" will act as an advertisement for your product.

Keep visitors coming back for more

In order to get a customer to come back to your company's Web Site, excellent customer service must be provided. Make it easy for the customer to purchase items and find what they need; if the customer needs to return an item, make that an easy process too. Customer should remember that your company's Web Site created no problems or difficulty for them. A user friendly Web Site is always a plus.

There is always room for improvement to a Web Site. The beauty is that changes can be made within seconds, with the click of a button and at virtually no expense. This is why your business must use a Web Site for Advertisement.

Hot Bodies 400

Legal Department

Team 5

Kiersten Norton
Ryan Schmidke
David Moore
Rich Nodlinski
Amy Willbanks

Hot Bodies 400

There are many avenues in the legality area of starting up a new corporation. While developing the HB 400 concept, the Legal Department focused mainly on the areas of employment law and harassment policy and procedure. HB 400 decided to contract outside agencies for all models, therefore lifting substantial liability from the corporation. The Legal Department was compelled to prepare contracts which would be used for these outside agencies so that all involved could ensure projects be legally sound.

The Legal Department prepared sexual harassment policies and guidelines suitable throughout the United States. Along with harassment policies, the Equal Opportunity Employment statement was also produced to ensure equal opportunity for all prospective applicants. After preparing these documents, Human Resources reviewed and accepted universal standard for hiring practices and harassment guidelines.

The legal department at Hot Bodies 400 is dedicated to provide the corporation with guidelines that will ensure all aspects of the company will function under the laws of the State of California as well as all federal laws that have been established by the United States of America. We have put together a few key issues we feel should be addressed from the onset as our start-up company undertakes its initial steps at becoming the industry leader in providing women with quality under garments and lingerie.

First, we have drawn up two key contracts. One to be used with any Modeling Agency for the purpose of procuring models to show our lingerie. This contract stipulates Agency for the purpose of procuring models to show our lingerie. This contract stipulates that the models are not employees of Hot Bodies 400 and are therefore under all legal responsibilities of the contracted agency. This contract will in effect protect us from any liabilities that might occur during any photo shoot or live exhibition. The second contract deals with all of the distributors and retail outlets that purchase our lingerie. We have spelled out in plain English exactly what is expected for our products. This will give us a legal basis to insure that our products are displayed and sold with style and integrity.

We have also put together a guideline to deal with the issue of sexual harassment. Since this has become a major concern for most companies, we have included, not only a

list of some do's and don'ts, but also a detailed guide that every employee will receive informing them on how to address this issue if it should ever rise. We felt by doing this we will in effect have protected the company from most law suits in this regard.

It is the decision of the legal department to try and settle most of any lawsuits that might arise before ever going to trial. As a new star-up company, we probably could not survive any bad publicity before ever getting to full production. As time progresses, we will then deal with each incident, on a case by case basis, to determine what course of action needs to be taken. We will also have a litigation firm on retainer should any problems become too great for our team to handle or court action becomes necessary.

Hot Bodies 400

Fair Employment and Equal Opportunity Policy

Hot Bodies 400 is an Equal Opportunity Employer. It is our policy to provide equal employment opportunities and nondiscriminatory employment practices for all employees and applicants without regard to race, color, sex, age, marital status, religious belief, national origin, veteran status, sexual orientation disability or other protected characteristics.

All decisions regarding personnel activities such as recruitment, hiring, transfers, promotions, layoffs, compensation, benefits and other terms and conditions of employment are free of discriminatory practices and are made with this policy in mind.

HOT BODIES 400

MODELING AGREEMENT

Policy and Rules

Both Companies must sign after each modeling session has taken place at the date of the session. All of the sessions agreed upon must be completed before the contract expires. The contract can only be terminated if both parties are in agreement. A 7 day notice of cancellation is required. Otherwise modeling agency will be charged for all expenses of the session.

Assumption of Risk

HB 400 is not liable for any risk during modeling session outside of our own facility. As such, you, the undersigned, voluntarily accept the risk and agree that HB 400 will not be held liable for any injury, without limitation, whether personal, bodily or mental as a result of your involvement with HB 400.

You may cancel this agreement at any time prior to midnight of the fifth business day after the date of this agreement. To cancel this agreement, mail or deliver a signed and dated noticed, or send a telegram, which states that you are canceling this agreement, or words to similar effect.

I hereby affirm that I have read and fully understand the above statement.

Signature_____ Date_____

Expiration date:_____

PARTIES

By signing this agreement you agree to provide the modeling services required by the company. You also agree to follow HB 400 policies and any posted rules. The terms you and HB 400 include heirs, agents, representatives, officers, directors, shareholders, successors, affiliates, and employees. As such, both parties make this agreement on behalf of, and it binds, all these included persons and entities.

ARBITRATION OF DISPUTES

If there is any dispute between you and HB 400, both parties agree to submit it to binding arbitration before the American Arbitration Association at its office nearest to both parties' main offices. The Arbitration will be conducted under the Association's Commercial Rules of arbitration. This means that neither you nor HB 400 can sue each other in court over such disputes. You both agree to have neutral Arbitrator decide it, not a jury or judge. The Arbitrator may continue in your absence if, after due notice, you fail to appear. This dispute covers any aspect arising from or relating to this agreement, which includes, without limitation, financial obligation.

Signature_____

Date_____

Form

Contracts for Sale of Goods

Preamble

_____, hereafter known as the "Seller," and Hot Bodies 400, hereafter known as the "Buyer," with addresses as they appear with their names below, agree as follows:

Description

1. Seller shall transfer (and deliver) to Buyer, and Buyer shall accept and pay for the following goods [specify]:

   _____

   _____

   _____

Delivery

2. Seller shall deliver the goods to Buyer at _____[specify location], on or before _____, 20 ____ [at] _____ [specify hour, e.g., at _____A.M./P.M., or during regular business hours] [or specify other arrangement, e.g., Seller shall make goods available to Buyer who shall pick them up on _____, 20_____ during regular business hours].

Price

3. Buyer shall pay Seller $_____ for the goods. Payment shall be made _____ [specify manner and time of payment, e.g.; in cash at the time of delivery].

Applicable Law

4. This contract, and all rights and obligations of the parties, shall be governed by the Uniform Commercial Code as enacted and in force in the State of _____ [on the date of this contract].

Executed on _____, 20_____

_____ Hot Bodies 400

By _____ [signature]

722 W. March Lane, Stockton, CA 95207

_____ [name of seller]

By _____ [signature]

_____ [address]

FORM NO. 52.01

Simple Contract for Sale of Goods

Comment

Use of Form

This form is a complete simple contract for the sale of goods. It is "simple" in that the parties set out only the basic parts of their agreement and rely on the Commercial Code to define all other rights and obligations. The Commercial Code was intended to allow the enforcement of this type of simple contract [see California Commercial Law (Cal. CEB 19966), Vol 1, "introduction to Division 2 Sales," § 2204 (3); see "Formation of Contracts In General" in the Legal Background]. Thus, for example, Commercial Code Sections 2305-2311 provide gap-filling rules that apply in the absence of agreement to the contrary. For discussions of these rules that apply in the absence of agreement to the contrary see "Obligations of Parties and Interpretation of Contract" in the Legal Background and the comments to Forms 52.58.52.60.

Basic Terms of Contract

The "Basic terms" of the contract are those terms necessary or advisable to include in all contracts, even when relying on the gap-filling provisions of the Commercial Code. Although a contract for sale may leave one or more terms open, the terms that are provided must be sufficiently definite [Com. Code § 2204(3)]. Thus, it is always advisable to date the contract, identify the parties, and have the seller agree to sell and deliver and the buyer to accept and pay for specified goods [see Com. Code §2301 (basic obligation of parties is for seller to transfer and deliver and buyer to accept and pay for goods in accordance with contract)]. At a minimum, even the liberal formation rules of the Commercial Code, a contract must include a mutual assent to the transfer of goods for a consideration [see Zamore v. Whitten (ME. 1978) 395 A.2d 435, 25 U.C.C., Rep 1245; Heart & Willier, BENDER'S UNIFORM COMMERCIAL CODE SERVICE-

FORMS AND PROCEDURES UNDER THE U.C.C. Vol. 5, §21.01(1), comment 1; see "-Statute of Frauds" in the Legal Background].

Exactly which other terms should be considered "basic" enough to be included depends on the nature of the transaction and the wishes of the parties. For example, a price term is clearly a very important term even though Commercial Code Section 2305 expressly permits it to be left open [see comment to Form 52.30]. However, the nature of a particular industry or the overall economy may make it difficult or unwise to try to set a fixed price if, for example, the seller is a manufacturer whose costs may be subject to sudden steep increases, or if the parties expect significant fluctuations in the market price of the goods.

For further discussion of contracts for the sale of goods, see the comment to Form 52.03. For a discussion of general contract principles, see Volume 14, Chapter 75, "Formation of Contracts and Standard Contractual Provisions."

Hot Bodies 400 Sexual Harassment Policy

Hot Bodies 400's position on sexual harassment is that it is a form of misconduct that undermines the integrity of the employment relationship. All employees have the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive, including sexual harassment. Anyone engaging in harassing conduct will be subject to discipline, ranging from a warning to termination. It is the policy of Hot Bodies 400 to protect employees from such harassment by another employee, manager, supervisor, customer or vendor of the company.

What is sexual harassment? Sexual harassment is a form of sex discrimination and is defined as any unwanted physical, verbal or visual sexual advances, requests for sexual favors, and other sexually oriented conduct which is offensive or objectionable to the recipient, including, but not limited to: epithets, derogatory or suggestive comments, slurs or gestures and offensive posters, cartoons, pictures, or drawings. Quid Pro Quo sexual harassment occurs when an individual's submission to or rejection of sexual advances or conduct of a sexual nature is used as the basis for employment decisions affecting the individual or the individual's submission to such conduct is made a term or condition of employment.

When is conduct unwelcome or harassing? Unwelcome sexual advances (either verbal or physical), requests for favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is either an explicit or implicit term or condition of employment (e.g., promotion, training, timekeeping or overtime assignments).

- Submission to or rejection of the conduct is used as a basis for making employment decisions (hiring, promotions, termination).

- The conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

What is *not* sexual harassment? Sexual harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome, that is personally offensive, that debilitates moral, and that, therefore, interferes with work effectiveness.

What should you do if you are sexually harassed? If you feel that you have been the recipient of sexually harassing behavior, report it immediately to Human Resources or the appropriate supervisor. It is preferable to make a complaint in writing, but you can accompany or follow up your written complaint with a verbal complaint.

If your supervisor is the source of the harassing conduct, report the behavior to that person's supervisor or to the Board of Directors of Hot Bodies 400. ***Your identity will be protected and you will not be retaliated against for making a complaint.***

What happens after a complaint is made? Within three days after a written complaint is made, a supervisor, or other person designated by the Board of Directors, will investigate the complaint. The person will speak with possible witnesses and will speak with the person named in your complaint. *Your anonymity will be protected.* Depending on the complexity of the investigation, you should be contacted within three days about the status of your complaint and whether action is being taken.

Harassment Investigation Guide

1. Getting the employee to describe the claim:
    - Listen to the charge.
    - Don't make comments to describe the claim
    - Acknowledge that bringing a harassment complaint is a difficult thing to do.
    - Maintain a professional attitude.
    - Gather the facts; don't be judgmental.
    - Ask why, what, when, where, and how.
    - Find out if the employee is afraid of retaliation. How does the employee want the problem resolved?
2. Conducting an investigation of the claim – general rules to follow:
    - Investigate immediately. Delaying or extending an investigation can make the witness testimony increasingly unreliable.
    - Remember that the manner in which the investigation is handled can itself furnish grounds for a hostile environment claim, so carefully document every step.
    - Treat all claims seriously – even those that seem frivolous – until you have reason to do otherwise.
    - Keep the investigation confidential. Emphasize to those involved that your discussions are not to be shared with unconcerned parties. Warn of possible disciplinary action, if necessary.
    - Limit the number of persons who have access to the information. Communicate strictly on a "need to know" basis.
    - Ask questions so that information is not unnecessarily disclosed. For example, instead of asking, "Did you see Paul touch Joan?" ask "Have you seen anyone touch Joan at work in a way that made her uncomfortable?" Remember, the purpose of the investigation is to gather facts, not disseminate allegations.
    - If there is more than one allegation, treat each separately.

- To avoid defamation liability, never broadcast the facts of a given situation or the results as an example to others or as a training tool.

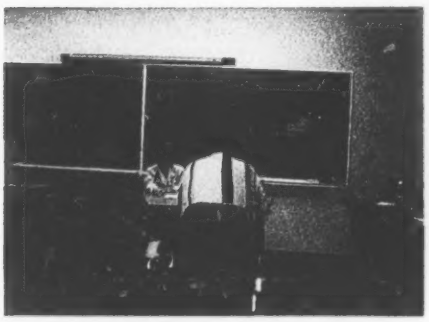
3. Interviewing the complaint (Can something be done when the employee first reports the charge):
    - Get the specific details.
    - Find out whether there was a pattern of previous episodes or similar behavior toward another employee.
    - Get the specific context in which the conduct occurred. Where? What time?
    - Determine the effect of the conduct on the complainant. Was it economic, non-economic and/or psychological.
    - Determine the time relationship between the occurrence of the conduct, its effect on the complainant and the time when the complainant made the report.
    - Prepare a detailed chronology.
    - Analyze whether there might have been certain events that triggered the complaint, i.e.: promotion, pay or transfer denial.
    - Determine whether there were any possible motives on the part of the complainant.
    - Find out what the complainant wants.
    - Explain to the complainant that the charges are serious and that you will conduct a thorough investigation before reaching any conclusion, and that he or she will not be retaliated against for making the complaint.
    - Don't make any statements about the accused employee's character, job performance or family life.
4. Interviewing the accused:
    - Obtain a statement from the accused.
    - Identify the relationship of the accused to the complainant.
    - Was there any prior consensual relationship between the parties? How long have they known each other? Is there a history of group or individual socializing.

- If the individual was a supervisor, indicate the individual's job title obtain a copy of the individual's job description, and determine the individual's specific duties at the time of the alleged harassment.
- Determine whether the accused directed, or had responsibility for the work of other employees or the complainant, had authority to recommend employment decisions affecting others or was responsible for the maintenance or administration of the records of others.
- You can expect the accused to deny the charges. Observe the reaction. Note whether there is surprise, anger, or disbelief. Describe the details of the allegation and note the areas of disagreement between the testimony of both parties. If the accused denies the allegations, probe further to determine with the accused the background, reason, and motivation that could possible trigger the complaint.

5. Interviewing witnesses
    - Obtain statements from any witnesses who support or deny any of the complainant's allegations. Be aware that witness are often reluctant to come forward out of fear of reprisal.
    - Assure all witnesses that their cooperation is important, that their testimony is confidential and that they will not be retaliated against for testifying.
6. Resolving the Complaint
    - Apologize for the incident occurring, *if that is appropriate.*
    - When attempting to remedy the conduct, avoid requiring the claimant to work less desirable hours or in a less desirable location. If you offer to transfer the complainant, try to get the complaint's consent and make sure the transfer position is substantially similar to the complainant's prior position. This helps ensure that the complainant is not being illegally punished for reporting discrimination or harassment.
    - Consider the severity, frequency and pervasiveness of the conduct when imposing discipline on the harasser. There are several disciplinary options available, including:

- Oral and written warning
- Reprimand
- Suspension
- Probation
- Transfer
- Demotion
- Discharge

- When imposing discipline on the accused, any forms of discipline short of discharge should be accompanied by a warning that similar misconduct in the future may result in immediate discharge. If no discipline is imposed, document the reasons why.
- Provide remedial counseling and training on sexual harassment, if appropriate. Also, take the opportunity to re-communicate your policy.
- Carefully and fully document the investigation, the discipline imposed, and any remedial steps taken.
- Conduct follow-up interviews with the parties to inform them of the company's actions.



Hot Bodies 400

Human Resources

Team 6

Tanya Anderson
Kay Neely
Vern Haynes, Jr.
Jacky Garrido
Wilbur McCormick

INTRODUCTION

Welcome to Hot Bodies 400, Inc.

This Personnel Guide contains information about the employment policies and practices of Hot Bodies 400, Inc. in effect at the time of publication. Except for employment at-will status and the arbitration agreement, Hot Bodies, Inc. reserves the right to change, in its sole discretion, all such policies and practices and the hours, wages working conditions, job assignments, positions, cities,, compensation rates and benefits for any employee. Other than the Officers of Hot Bodies, Inc. no manager, supervisor or representative of the Company has any authority to enter into any agreement for employment for any specified period of time or to make any agreement for employment other than at-will. Only the Officers of Hot Bodies, Inc. have the authority to make any such agreement and then only in writing.

The policies set forth in this Personal Guide replace any and all previous policy statements, whether written or oral which differ from or are inconsistent with the policies expressed in this Guide. No such prior policies or procedures shall have any force or effect after the effective date of this Guide.

Nothing in this Personnel Guide creates, or is intended to create, a promise or representation of continued employment for any employee. Employment at Hot Bodies Inc. is employment at-will. Employment at-will may be terminated at the will of either the employer or the employee. Employment and compensation may be terminated with or without cause and with or without notice at any time by you or Hot Bodies, Inc.

Dealing with Sexual Harassment

That which constitutes sexual harassment can be hard to define was exemplified by the legal case involving Anita Hill and Justice Clarence Thomas. This ambiguity, however, shouldn't prevent companies – including new start-ups – from taking concrete steps when confronted with questionable or inappropriate behavior in the workplace. In the previous section, Hot Bodies 400 corporation's legal department takes an in-depth look at this problem. In the following pages, Employment Polices and practices and employee benefits are described.

A more detailed manual has been prepared by the Human Resource staff. It is required reading for each prospective employee of the Hot Bodies Corporation. The manual includes:

- Workplace violence prevention
- Safety procedures
- Customer relations
- Other pertinent topics

Copies can be obtained by contacting the department.

EMPLOYMENT POLICIES AND PRACTICES

It is the policy of Hot Bodies, Inc. to fill every position without regard to race, color, creed, sex, marital status, physical or mental disability, age, national origin or ancestry, sexual orientation or any other consideration made unlawful by applicable discrimination laws. Hot Bodies, Inc. is an equal opportunity employer, and strictly prohibits unlawful discrimination by any employee, including managers, supervisors and co-workers.

The Company will make reasonable accommodations for known physical or mental disabilities of qualified applicants or employees to the extent required by applicable law. Any applicant or employee who requires an accommodation in order to perform the essential functions of their job should contact their immediate supervisor and request the necessary accommodation. The Company will investigate the request in light of the barriers that make it difficult for the applicant or employee to have equal opportunity to perform the job. The Company will examine the possible accommodations, if any. If the requested accommodation or an alternative is reasonable and will not impose an undue hardship on the Company, the accommodation will be made.

If you believe you have been objected to any form of unlawful discrimination, provide a written complaint to your supervisor. The complaint should be specific and should include the names of the individuals involved and any witnesses. The Company will promptly conduct a thorough investigation, and will take action to resolve the

situation. The Company will not retaliate against you for making a complaint, and will not knowingly permit retaliation by any manager or co-worker.

Initiation Period

The first 90 days of continuous employment at the Company during which you learn your responsibilities and get acquainted with your fellow employees is considered an initiation period. During this time you will have a chance to decide whether you are and will be happy with your job, and your supervisor will have the opportunity to determine whether you are adapting to your new work. After your initiation period, you may be given a written performance review addressing your strengths and weaknesses. If Hot Bodies, Inc. decides you should continue to be employed, you will be advised of any improvements expected from you. You will be given the opportunity to express any recommendations that you have to improve the efficiency of the Company. Completion of the initiation period does not entitle you to remain employed by Hot Bodies, Inc. Both you and Hot Bodies, Inc. are free at any time, with or without advance notice, and with or without "cause", to end the employment relationship and your compensation.

EMPLOYMENT CLASSIFICATIONS

Employment at Hot Bodies, Inc. is employment at-will. Except for the Officers, no manager, supervisor or representative of Hot Bodies, Inc. has any authority to enter into any agreement for employment for any specific period of time or to make any agreement contrary to employment at-will. Only the Officers have the authority to make any agreement contrary to employment at-will and then only in writing. Employees at Hot Bodies, Inc. are classified by the Company as exempt or nonexempt and full-time, part-time or temporary.

Exempt Employees: Exempt employees are regular employees whose job assignments meet the federal and/or state requirements for overtime exemption. Exempt employees are compensated on a salary basis and are not eligible for overtime pay. Your supervisor will inform you if your status is exempt. Exempt employees may have job assignments that require full or part-time work. Following the completion of the initiation period,

full-time exempt employees are eligible for all employee benefits described in this Guide. Following the completion of the initiation period, part-time exempt employees are eligible for some, but not all, employee benefits described in this Guide.

Nonexempt Employees: Nonexempt employees are regular employees subject to federal and/or state overtime regulations, and will be compensated for overtime hours worked in accordance with the law. Nonexempt employees must comply with the Company's policies regarding overtime work.

Full-Time Nonexempt Employee: Full-time nonexempt employees are regular employees who are normally scheduled to work and who do work a schedule of 40 hours per week. Following the completion of the initiation period, full-time nonexempt employees are eligible for all employee benefits described in this Guide.

Part-Time Nonexempt Employees: Part-time nonexempt employees are regular employees who are scheduled to and do work less than 40 hours per week. Part-time nonexempt employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-time nonexempt employees are eligible for some, but not all, employee benefits described in this Guide.

Temporary Employees: Temporary employees are regular employees who are employed by the Company for short-term assignments. Short-term assignments will generally be periods of three months or less. Temporary employees are not eligible for employee benefits and may be classified as exempt or nonexempt on the basis of job duties and compensation.

Individuals working through an employment agency (leased employees, etc.) and those working as independent contractors are not considered "regular" employees of the Company and are not entitled to any employment benefits provided by the Company. If you have any question about your classification, you should check with your immediate supervisor.

PERFORMANCE EVALUATION

Your immediate supervisor will periodically review your performance and discuss the review with you in private. Your first performance evaluation will be made after you complete your initiation period. After that review, your performance will be reviewed at least once a year on or about the anniversary date of your first employment with Hot Bodies, Inc.

Your performance evaluations will include factors such as the quality and quantity of the work you perform, your knowledge of your job, your initiative, your work attitude and your attitude toward others. The performance evaluation is designed to help you become aware of the progress you are making and of the areas in which you need to improve.

Personnel

The information recorded in your personnel file is extremely important to you and to Hot Bodies 400. It is your responsibility to make sure that the personal data at the file is accurate and up to date. Report any change of address, phone number, etc, to your immediate supervisor in writing as soon as possible. As a company employee, you have a personal right to inspect your personnel file, as provided by law, on the company premises at a time mutually convenient for you and Hot Bodies 400. You may add to the file your version of any disputed item in your personnel file.

Employee Benefit

VACATIONS

The Company reserves the right to schedule vacation time for employees or to compensate employees for earned, unused vacation time at any time in its sole discretion. Vacations shall be scheduled so as to provide adequate coverage of jobs and staff requirements. The Officers of Hot Bodies, Inc. will make the final determination in this regard.

Eligible employees may use accrued vacation time beginning at the end of their first full year of employment at the Company. If a holiday occurs during your vacation period, you will receive an additional vacation day. Exempt employees should report

only full days of absence for vacation. Part-time and temporary employees do not earn paid vacation. Employees on unpaid leave do not accrue vacation time.

HOLIDAYS

Hot bodies, Inc., observes the following paid holidays:

New Years Day	Thanksgiving Day (and the day after)
Memorial Day	Christmas Day (and the day after)
Independence Day	1 floating day (usually employee's
Labor Day	birthday)

When a holiday falls on a Saturday or Sunday, it is usually observed on the following Monday. However, the Company may close on another day or grant compensating time off instead of closing. Holiday observance will be announced in advance.

To be eligible for holiday pay, a nonexempt employee must have completed his or her initiation period, be regularly scheduled to work on the day on which the holiday falls and must work his or her scheduled working day immediately preceding and the scheduled working day immediately following the holiday, unless an absence on either day is approved in advance by the employee's supervisor.

SICK LEAVE

Hot Bodies, Inc. provides benefits to all eligible regular full-time employees for periods of temporary absence due to illnesses or injuries. Eligible employees will receive absenteeism benefits not to exceed 10 days per rolling calendar year. Employees can request absenteeism benefits after successfully completing 90 calendar days from the date of hire. Absenteeism benefits can be used in minimum increments of one hour.

Employees who are unable to report to work due to illness or injury must notify their direct supervisor one hour before the scheduled start time. The direct supervisor must also be contacted on each additional day of absence. Absenteeism benefits will be calculated based on the employee's base rate at the time of absence and will not include any special forms of compensations, such as incentives, commissions, or bonuses.

INSURANCE BENEFITS

Health Insurance

The company pays for medical and vision coverage through an HMO for all employees and their spouses and dependent children. All employees are eligible following completion of six months of continuous, full time employment. In the event of any increase in medical insurance premium rates, all employees may be required to contribute to the cost of increased premiums to retain coverage.

Disability Insurance

All eligible employees are covered by State of California Disability Insurance pursuant to the California Unemployment Insurance Code. Disability insurance is payable when you cannot work because of illness or injury not caused by employment at Hot Bodies, Inc., or when you are entitled to temporary workers' compensation at a rate less than the daily disability benefit amount. Specific rules and regulations governing disability payments are available from the Human Resources Department.

Unemployment Compensation Insurance

The company contributes thousands of dollars each year to the Unemployment Insurance Fund on behalf of its employees.

Social Security

Social Security is an important part of every employee's retirement benefit. The Company pays a matching contribution to each employee's Social Security taxes.

Workers' Compensation Insurance

At no cost to you, you are protected by Workers' Compensation insurance while an employee at the Company. The policy covers you in case of occupational injury or illness. Every occupational injury or illness, no matter how slight, must be reported immediately to your supervisor. Your supervisor will explain what steps should be taken next. Employees make no contribution for this coverage. The Company pays the entire cost.

ADMINISTRATION OF COMPANY BENEFITS

All of the employee benefit programs at Hot Bodies, Inc. are administered by the Company or its designated administrators. The Company reserves to itself and its administrators the exclusive authority and discretion to determine all issues of eligibility and all questions of interpretation and administration of each benefit program.

LEAVES OF ABSENCE

Hot Bodies, Inc. may grant leaves of absence to employees in certain circumstances. It is important to request any leave in writing as far in advance as possible, to keep in touch with your supervisor during your leave, and to give prompt notice if there is any change in your return date. If your leave expires and you have not contacted your supervisor it will be assumed that you do not plan to return and you have terminated your employment. If you are unwilling or unable to return to work at the conclusion of any leave, your employment may be terminated.

This Guide contains only a summary of the leaves that may be available. Some types of leave have detailed requirements regarding eligibility, duration, benefits, etc. You should contact your immediate supervisor prior to taking any leave for information about leave requirements and make sure you understand the requirements and ramifications of any leave.

It is understood that you will not obtain other employment (other than military duty pay) or apply for unemployment insurance while you are on a leave of absence. Acceptance of other employment (non-military) while on leave will be treated as a voluntary resignation from employment with Hot Bodies, Inc.

FUNERAL OR BEREAVEMENT LEAVE OF ABSENCE

In the event of the death of your current spouse, child, parent, legal guardian, brother, sister, grandparent, grandchild or mother-, father-, sister-, brother-, son-, or daughter-in-law, you may take up to three consecutive scheduled workdays off without pay with the approval of your immediate supervisor, who may also approve additional unpaid time off.

MILITARY LEAVE OF ABSENCE

The company provides military leaves of absence to employees who serve in the uniformed services as required by the Uniformed Services Employment and Re-employment Rights Act of 1994 and applicable state laws. Leave is available for active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty and for examinations to determine fitness for any such duty. Total military leave time taken may not exceed five years during employment except in special circumstances.

Advance notice of leave is required. Please inform your supervisor of anticipated military leave as far in advance as possible. Accrued vacation will be paid during military leave at your request and health plan coverage continuance can be arranged for up to 15 months during military leave if required premium payments are made by you. As with other leaves of absence, failure to return to work or to reapply within applicable time limits may result in termination of employment.

PERSONAL LEAVE OF ABSENCE

A personal leave of absence without pay may be granted to employees who are not eligible for other leaves at the discretion of Hot Bodies, Inc. A personal leave of absence can affect your medical benefit plan coverage. Ask your immediate supervisor for information about personal leaves of absence.

WORKERS' COMPENSATION LEAVE

If you are temporarily disabled due to a work-related illness or injury, you will be placed on worker's compensation leave. The duration of your leave will depend upon the rate of your recovery and the business needs of the Company.

PREGNANCY AND DISABILITY LEAVES OF ABSENCE

Employees temporarily disabled due to pregnancy, childbirth or related medical conditions may take an unpaid leave for the period of the disability up to four months.

Hot Bodies, Inc. does not provide non-work related medical leaves. Requests for leave should be made in writing as far in advance as possible. If you take a pregnancy disability leave, the Company may pay you sick pay for the period of time equivalent to your accumulated sick pay earned. You may also use any paid vacation time previously accrued.

A pregnancy disability leave begins on the first day your doctor certifies you are unable to work and ends when your doctor certifies you are able to return to work or at the end of the maximum leave period, whichever occurs first. Your supervisor will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. Pregnancy disability leaves of absence are coordinated with any state or federal family leave laws in effect at the time the leave is granted. Premium payments for medical insurance will be made by the Company for employees on pregnancy disability leave only as required by law.

TIME OFF FOR VOTING

If you cannot vote before or after working hours in statewide public elections, then you will be allowed sufficient time off to go to the polls. The Company will pay you for up to the first two hours of absence from regularly scheduled work which is necessary to vote in a statewide public election. Any additional time off will be without pay. You must give reasonable notice of the need to have time off to vote and must give at least three days notice when possible.

TIME OFF FOR JURY AND WITNESS DUTIES

Hot Bodies, Inc. encourages employees to serve when called for jury duty or when subpoenaed as a witness. All employees are expected to notify their supervisors as soon as they receive a jury duty notice or witness subpoena. The time off for jury durty is unpaid time off for nonexempt employees.

TIME OFF FOR VOLUNTEER FIREFIGHTERS

If you are a registered volunteer firefighter who intends to perform emergency duty during work hours, please alert a representative of the Company so that we are aware of the fact that you may have to take time off to perform emergency duty.

TIME OFF FOR DUTY AS ELECTION OFFICIAL

If you serve the official governmental duty of acting as an election officer in a local special or statewide election, you are eligible for an unpaid leave on the day of the election. Please give your supervisor as much notice as possible if you plan to serve as an election official.

TIME OFF FOR ATTENDING CHILD'S SCHOOL DISCIPLINE

If you are the parent or legal guardian of a child who lives with you, and you receive written notice from the principal of the child's school requesting your attendance at a disciplinary conference, you are entitled to take an unpaid leave to attend the conference. Check with your immediate supervisor for eligibility and scheduling before taking any leave to attend a disciplinary conference.

ACKNOWLEDGEMENT

I have received my copy of Hot Bodies, Inc.'s Personnel Guide and have read it and understand it and agree to abide by the provisions therein, including the arbitration agreement.

Specifically, I understand and agree that my employment is at-will and may be terminated by me or the Company with or without advance notice and with or without "cause."

I also understand and agree that except for the at-will relationship and the arbitration agreement, the Company may change any policy or practice and/or my hours, wages, working conditions, job assignments, position title, compensation rates and benefits at its sole discretion.

Signed _____

Date _____

Hot Bodies 400

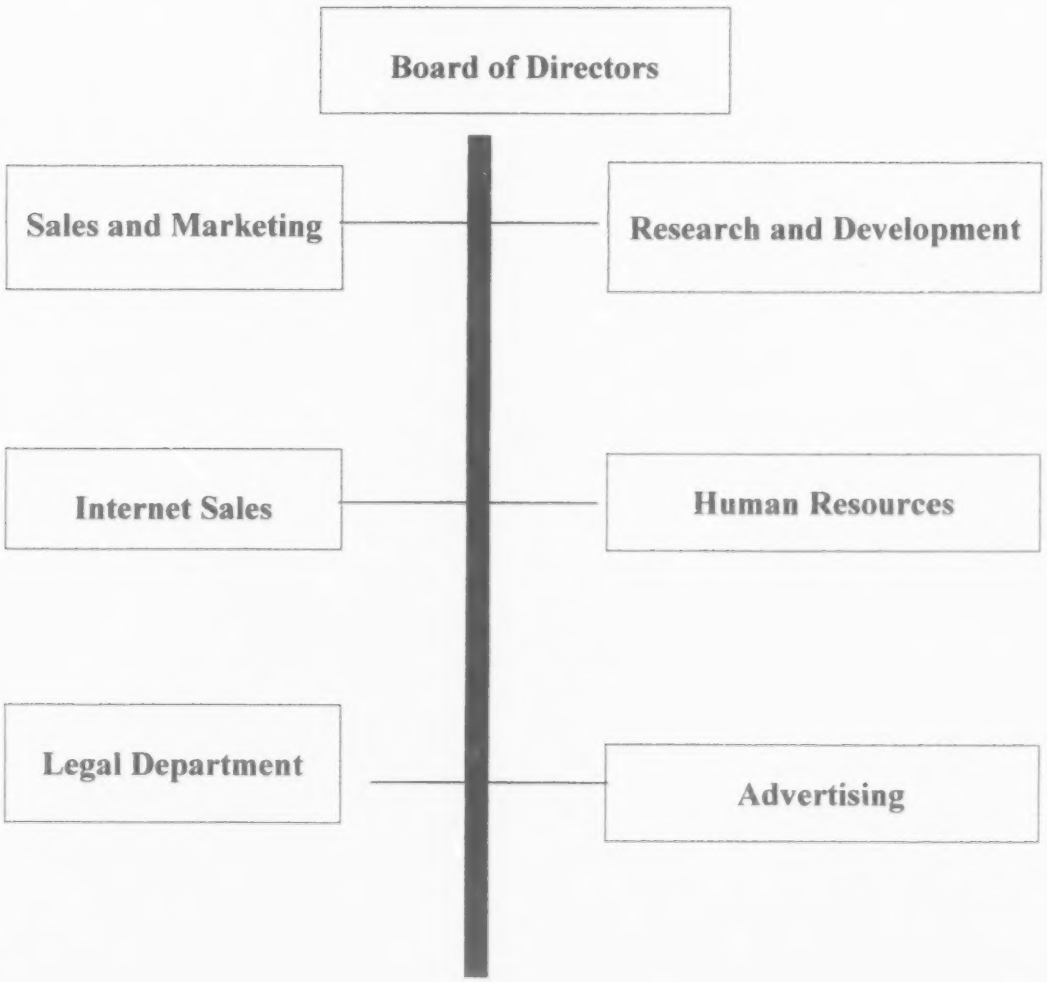
Board of Directors

Team 7

Rose Seldon
Cynthia Hong
Ben Vander Heiden
Kandy Bragg
Wendy Williams

Hot Bodies 400

Organizational Chart



Introduction

Hot Bodies 400 is a women's lingerie designing company. Hot Bodies is a privately held company founded on April 1, 2000, by the Board of Directors, Human Resources, Legal Department, Research & Development, Sales & Marketing, Internet Sales, and Advertising. The company is located in Stockton, California USA.

At Hot bodies 400 we pride ourselves on the quality of the products we design, the highest quality lingerie available on the market today. We believe it takes a team effort to design the highest quality product possible and the way we accomplish this goal is by giving our associates the responsibility and accountability for the quality of their own work.

At Hot Bodies 400 we offer positions in all departments. For our associates we offer many assistance programs such as medical benefits, educational reimbursement, service award program, Options-The Employee Assistance Program (EAP), company recreational activities and substance abuse intervention program among others. At Hot Bodies 400 we believe it is essential to keep our associates happy in order to maintain the superiority of our products. By providing a good working environment our company will attract and retain highly qualified individuals that will design a high quality product.

Hot Bodies 400 Corporation

Mission & Strategy

Hot Bodies strives to be a leader in the specialty of lingerie designing business. To establish this leadership position, our mission is to continually improve product design, to provide personalized service and to exceed the needs of our customers.

Basic Values

Customers: Customers are vital to our success. We constantly seek to acquire, maintain and enhances our relationship of trust, friendship, and mutual benefit with them.

People: Customers are our reason for being. Everyone at Hot Bodies 400 is committed to the complete satisfaction of our customers.

Integrity: Our code of ethics and behavior are consistently directed toward honesty, loyalty, and reliability.

Quality: To achieve customer satisfaction we make quality and service a priority. In order to earn your business and keep it we are committed to this philosophy.

Innovation: Improving and upgrading our product design and services are an essential part of our success. We strive for excellence in everything we do.

Environment: As a company we were one of the first to start utilizing a complete line of dye products that reduce the VOCs, are ozone safe and environmentally friendly. We have a responsibility to insure a clean and healthy environment for generations to come and we strive to reflect this commitment in all we do.

External Customers

The Hot Bodies 400 Strategic Plan is based on commitment to satisfy our external customers. Our performance in carrying out programs, and our success as a designing company, will be judged by our customer, based on our ability to meet their requirements.

The following groups are our external customers and stakeholders:

- The Financial Institute, our primary stakeholders, provides us with the policy direction and financial resources to conduct the designing of lingerie.
- The following lingerie companies:

La Conciergerie Lingerie	Cote d'Azure Lingerie
Lon Ger A	Moda Italia Lingerie
K Bella fine Lingerie	French Bolero
Lou Orobula Lingerie	Un-Dee's

- Many other primary customers receive our products.
- The public is both the ultimate resource provider and the ultimate beneficiary of our products.

Management Style/Change

Hot Bodies 400 management philosophy and operational structure is designed to further international growth. Management's philosophy has no limitations due to geographical barriers. To the contrary, it continuously tries to identify and apply the best management techniques, technology and experience that the world has to offer.

The company couples its highly adaptive culture with a genuine passion for change. Hot Bodies 400 executives receive a trail by fire, managing its international operations through currency fluctuations, inflation and other challenging economic conditions. Through each change, Hot Bodies 400 becomes a stronger, more profitable company.

Short Term Project Goals

1. Survival – Surviving the first year of initial operation
2. Evaluation – Evaluate the business and take corrective action as necessary
3. Monitor industry trends – Be aware of likely economic and industry trends
4. Know strengths and weaknesses of the business
5. Determine market potential
6. Explore the nature and extensiveness of competition
7. Determine the cost structure of the business' product designing and reinvestment
8. Be willing to assume risk
9. Develop a break-even analysis
10. Closely monitor inventory turnover
11. Monitor working capital closely
12. Attain a 15% profit the first year in business

Long Term Project Goals

1. Profits – Maximize profitability
2. New accounts – maximize the number of new accounts
3. Flexibility – Be flexible in order to change with the business environment
4. Be realistic in our long term goal
5. Develop sales objectives after determining dollar sales growth
6. Maximize net worth
7. Keep abreast of new equipment and processes
8. Introduce new lingerie at trade shows
9. Monitor product quality
10. Evaluate customer complaints and adjust accordingly
11. Retain a professional business image when dealing with clients
12. Increase profits 10% per-year

Hot Bodies 400 Corporation

Pitfalls of Operating Your Own Business

Pitfalls

1. Lack of experience
2. Lack of money/capital
3. The wrong location
4. Inventory mismanagement
5. Too much capital going into fixed assets
6. Poor credit granting practices
7. Taking too much personal income
8. Failing to plan
9. Having the wrong attitude
10. Choosing the wrong partners
11. Not knowing yourself
12. Having unrealistic expectations

What can be done about these pitfalls?

1. Recognize limitations
2. Plan properly
3. Keep records
4. Watch the balance sheet-not just the profits
5. Investigate
6. Co-operate with suppliers
7. Learn
8. Utilize professional assistance
9. Watch your health

Hot Bodies 400 Corporation

Lingerie Overview

There are six major lingerie lines designed here at Hot Bodies 400, Inc.

I. Brassieres

II. Panties

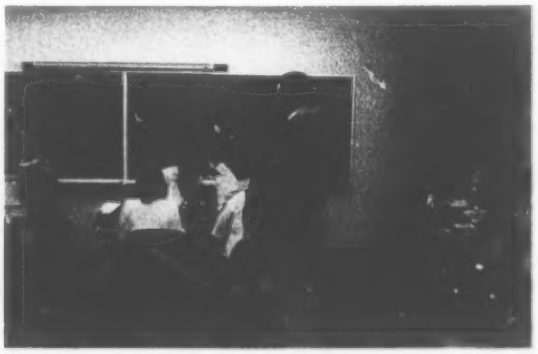
III. One and two piece swim wear

IV. Slips

V. Camisoles

VI. Teddy(s)

In addition, Hot Bodies 400 also designs special jobs to fit specific customer orders. These special orders demand unique designing requirements.



Hot Bodies 400 Corporation

Corporation Agreement

This corporation Agreement is entered into and effective as of April 1, 2000, by Human Resources, Legal Department, Research & Development, Sales & Marketing, Internet Sales and Advertising.

Article I

Name of Business and Number of Associates

1. The name of the corporation shall be Hot Bodies 400 Corporation.
2. The partners desire to form a general corporation under the laws of the State of California.
3. The principal place of business shall be at 2000 National University Avenue, Stockton, California.
4. We anticipate requiring 41 associates to start the business.

Article II

Purposes of the Business

The corporation shall engage in the designing of unique lingerie and other businesses of similar nature or related as may be agreed upon by the partners.

Article III

Capital and Service Contributions, Accounts and Withdrawal

1. The initial capital of the corporation shall consist of $3.5 million, contributed by Dr. Carlos A. Bonilla, and for the corporation, as specified in Article IV.
2. Human Resources, Legal Department, Research & Development, Sales & Marketing, Internet Sales, and Advertising shall make no cash or property contribution at the

commencement of the corporation and for those services they shall be entitled to an equal share of the profits of the corporation and for those services they shall be entitled to an equal share of the profits of the corporation, as specified in Article IV.

3. Capital Contributions (short term loans) shall be paid back in full within one year of the deposit date. Except by unanimous agreement of the partners, or upon dissolution, the capital contributions of the partners shall not be subject to withdrawals prior to the one year time period.

Article IV

Profits and Losses

1. The net profits or net losses of the corporation shall be distributed equality among the partners.
2. Profits and losses shall be credited or debited to the partners as soon as practical after the close of each fiscal year.
3. Corporation expenses shall be debited to the general income of the corporation, if there is no balance in the general income, expenses shall then be debited to the capital contributions.
4. Reinvestment of large portion of profits in the corporation.

Article V

Management Salaries

The partners shall receive a salary on the first and fifteenth or each month. Said salaries shall only be debited to the general income of the corporation and not to the capital contributions. The amount of the salary shall be as agreed by upon the partners and shall remain consistent until a charge is adopted by the partners.

Article VI

Dissolution Because of the Retirement, Death, or Insanity of a Partner

1. Any partner may retire from the corporation upon sixty (60) days prior notice to the other partners.
2. Retirement, death, or insanity of a partner shall work an immediate dissolution of the corporation.
3. In the event of the retirement, death, or insanity of a partner, a proper accounting shall be made of the net profit or net loss of the corporation from the date of the last previous accounting to the date of dissolution.
4. In the event of the retirement, death, or insanity of a partner, the remaining partners shall have the right to continue the business of the corporation under its present name by themselves. It may also be in conjunction with any other person or persons they may select, but they shall pay the retiring partner, or the legal representatives of the deceased or insane partner, as the case may be. They shall pay the value of his/her interest in the corporation as provided in the following paragraphs of this Article.
5. The value to the interest of a retiring, deceased, or insane partner, as of the date of dissolution, shall be the sum of:
   a. His/her capital contributions
   b. Any earned and unpaid salary due him/her
   c. His proportionate share of accrued net profits. If a net loss has been incurred to the date of dissolution, his/her share of such loss shall be deducted. Inventory for purposed of this Article shall be valued at book value. No value for goodwill or firm name shall be included in any computations of a partner's interest under this Article.

Article VII

Voluntary Dissolution

1. Unless Dissolved by the retirement, death, or insanity of a partner, the corporation shall continue until dissolved by agreement of the partners. Upon any such voluntary dissolution by agreement of the partners. Upon any such voluntary dissolution by agreement, the affairs of the corporation shall be liquidated forthwith. The assets of the corporation shall first be used to pay or provide for all debts of the corporation. Thereafter, all monies in the general income of the partners, and all amounts due for earned or unpaid salaries of the partners, shall be paid to the partners respectively entitled thereto. The capital contributions shall be credited to the respective partners. Then the remaining assets shall be divided equally among the partners as of the date of such dissolution, after crediting or debiting to them the net profits or net loss accrued or incurred, as the case may be, from the date of the last accounting to the date of dissolution.
2. Upon termination of the corporation by agreement of the partners, any partners shall have the right, in lieu of the liquidation provided for in the preceding paragraph of this Article, to continue the business of the corporation under its present name. They shall continue the business by themselves of in conjunction with any person or persons they may select, upon paying in cash forthwith to the withdrawing partner the amounts to which he would be entitled under paragraph 4 of Article VI, in case of a dissolution under Article VI. If each of the partners desires to take advantage of this paragraph, then the affairs of the corporation shall be liquidated in accordance with the preceding paragraph of this Article and the present name of the corporation shall not be entitled to either partner.

Article VIII

Partners' Power and Limitations

1. Each partner shall have equal voice in the management and control of the corporation Each partner shall participate in the management of the business; in exercising the powers of management. All corporation decisions must be made by unanimous decision of all parties. The addition of any new partner, or partners, to this corporation may be done only by unanimous agreement of all existing partners, on such terms and conditions as they agree upon.
2. Checks may be drawn on the corporation bank account for corporation purposes only. They shall be signed by three partners up to $10,000. Checks over $10,000 shall require the signature of at least four partners.
3. No partner may without the consent of the other partners.
   a. Borrow money in the firm's name for firm purposes or utilize collateral owned by the corporation as security for such loans.
   b. Assign, transfer, pledge compromise, of release any of the claims of or debts due the corporation, except upon payment in full, or arbitrate or consent to the arbitration of any of the disputes or controversies of the corporation.
   c. Make, execute or deliver any assignment for the benefit of creditors, or any bond, surety bond, or contract to sales of all or substantially all of the property of the corporation.
   d. Lease or mortgage any Control real estate or any interest therein or enter into any contract for any such purpose.
   e. Pledge or hypothecate or in any manner transfer his/her interest in the corporation, except to another party to this agreement.
   f. Become a surety, guarantor, or accommodation part to any obligation.

Article IX

Miscellaneous

1. The corporation shall maintain a bank account or bank accounts in such bank or banks as may be agreed upon by the partners.
2. Proper and complete books of account shall be kept at all times and shall be open to inspection by any partner at any reasonable time during business hours. The books of account may, at a partner's request, be examined and reviewed as of the close of each fiscal year by an independent certified public accountant agreeable to the partners, who shall make a report thereon.
3. This parties thereto covenant and agree that they will execute any further instruments and that they will perform any acts that are or may become necessary to effectuate and to carry on the corporation created by this agreement.
4. This corporation agreement shall be reviewed at the end of each fiscal year. If revisions and/or additions are required due to the purpose of the business changing, the revisions and/or additions will be incorporated into this agreement when approved by the partners. If no revisions and/or additions are incorporated, this agreement shall continue to be in effect.

Signature_____ Date_____
Board of Directors

Signature_____ Date_____
Human Resources

Signature_____ Date_____
Legal Department

Signature_____ Date_____
Research and Development

Signature_____ Date_____
Sales and Marketing

Signature_____ Date_____
Internet Sales

Signature_____ Date_____
Advertising

Signature_____ Date_____
Carlos A. Bonilla

Calling In The Experts

The next time you need a new perspective on a tough management or production problem, think about hiring a consultant or a consulting team. Consultants specialize in a variety of business functions and industry; they offer objective insight into problems your self-managing teams do not understand, do not want to tackle or cannot resolve.

Invariably, consultants should be called when interim conflict resolution does not work.

A Consultant's Advice

While making use of a consultant or consultant team do not forget:

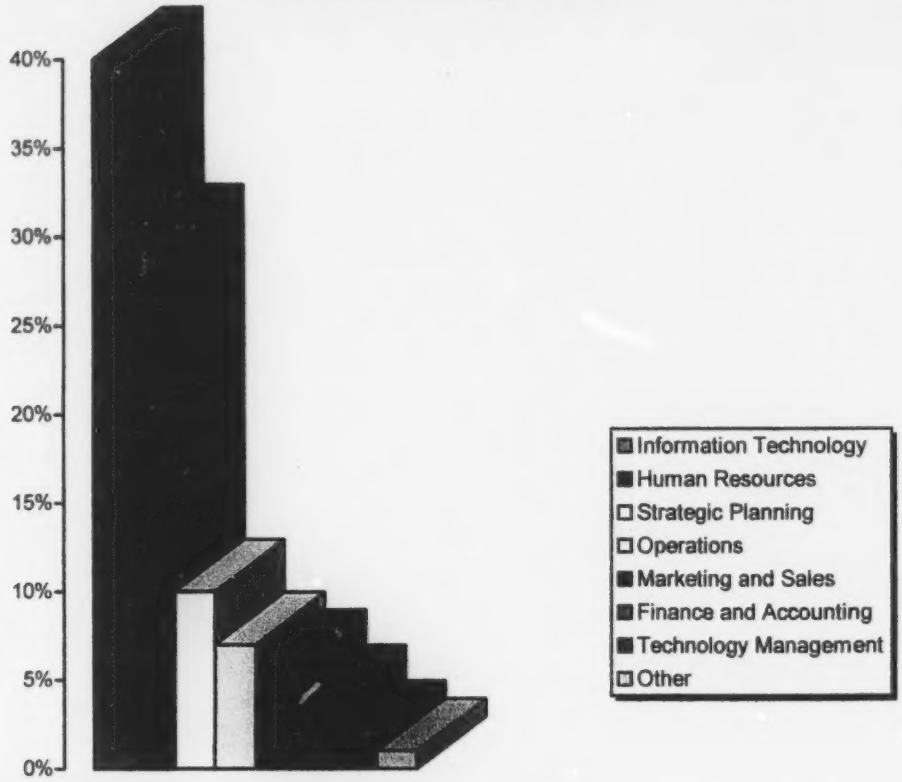
"Either you or one of your managers must maintain control of the project."

Carlos A. Bonilla, PhD. CPC.*
President ICA, Inc.
***Certified Professional Consultant**

At Your Service

The Consulting Market breakdown according to line of service.

Market Comparisons

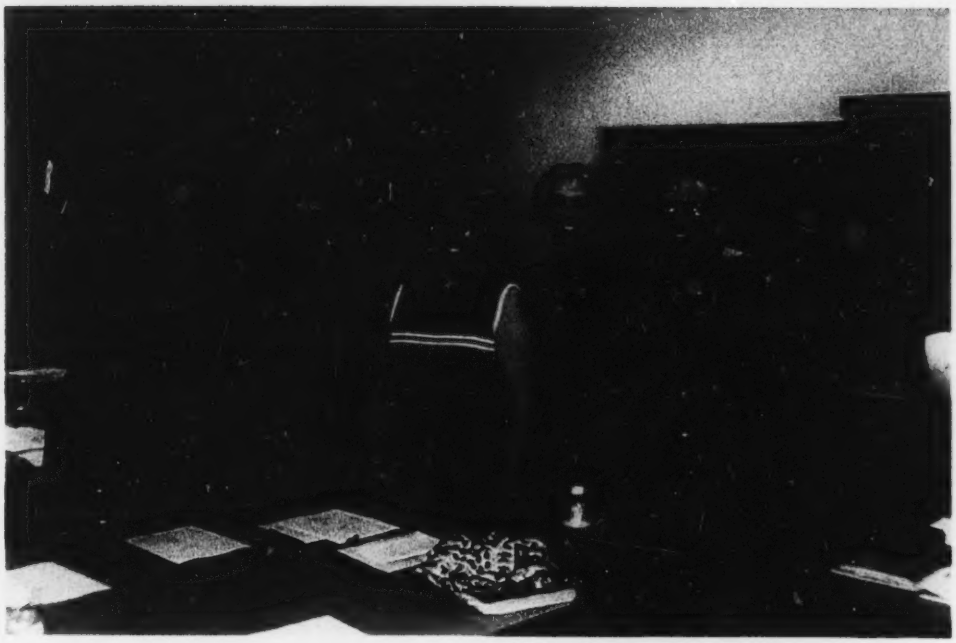


Information Technology	40%
Human Resources	30%
Strategic Planning	10%
Operations	7%
Marketing and Sales	6%
Finance and Accounting	4%
Technology Management	2%
Other	1%

HB400 Corporation ®

Hot Bodies 400

Consulting Team



Team 8

Teresa Butler
Austin G. Erdman
Georgina Hutchens
Lisa M. Carter
Brian Teausant
Sorin Ven (not pictured)

BEST COPY AVAILABLE

It was a quiet Tuesday evening and 42 individuals were brought together to participate in an experimental course; the goal? To form a new corporation. We were told the purpose of the class was to start a mythical corporation called **Hot Bodies 400, Inc.**, to make and sell women's lingerie. It had been predetermined who was to be assigned to each of the individual departments. The lessons learned while working together included: group work, problem solving, communication, and most important, team work.

The class was divided into eight groups, picked at random, and given the responsibility to work together both as individual teams and a corporate team, to come up with the strategy and tactics used to form the guidelines to start a company. Each group each represented a different departmental area of a corporation. We, being the eighth group, were chosen to be the consulting team, brought in to help the other departments cooperate with one another, oversee the interaction between the groups themselves and the corporation as a whole. As a team of consultants we decided to appoint a specific individual to each particular team/department of the corporation, to help with any problems, to mediate, and to serve as guides throughout the course where needed. As the consulting group we organized ourselves, each to handle a few of the individual departmental teams.

We began by asking each group to answer seven questions about their team; soon it became obvious there were problems in each individual group. The questions asked helped give us a guideline as how we could be of help. The results were not what we expected: But, certainly, very informative:

Q Tell me about your company, and what you want to accomplish.

A Our company has just been formed by young entrepreneurs. The company is developing a new line of lingerie that will become world renown. (Research and Development)

Q Are you experiencing any inter-departmental problems, or do you foresee any problems or conflicts in the future?

A We have a widely-diversified staff, each with their own ideas, each able to accept input from others and help each other using our different strengths. One thought is that the board is trying to flex power they do not really have. As a whole, within our company, if a problem should arise, our staff will be able to overcome it. (Sales and Marketing)

Q What do you plan to do if funding is not provided for your company?

A We will rethink our strategy and formulate a new plan of action. (Legal)

Q How are you going to implement diversity in the work place?

A We are an equal opportunity employer. In fact we take pride in the fact that with diversity comes distinct and different ideas. We are also one step ahead, as our group is already a cultural mix: Black, White, Hispanic, and Filipino. (Sales and Marketing)

Q In detail, please explain what your department is contributing to the company and how.

A [To] sell our products by [using] effective advertising, develop layout using the best models and best photographers. Keeping in budget, [creating a] great portfolio and product catalogue. (Advertising)

Q What policies and procedures does your department plan to implement to bring success to the company?

A Our department will implement work ability, cooperating, and dedication with the other departments. Our mission statement is "To develop a product that will enhance the lives of women in our community, country and world." (Research and Development)

Q How and why did you select your representative?

A Being that [he] is an administrator, we felt he was in the best position to run our department. He has the experience and knowledge. (Human Resources)

From the answers given by each group, the consulting team was able to determine target areas on which to focus and help guide the different departments in the right direction. When meeting with the different groups at the beginning of the class, the consulting team felt that Research and Development was experiencing some confusion. It was not made clear from the start what each group was to be doing. After reviewing the questions and answers they submitted, it was easy to get them the needed results to get the ball rolling. The main concern they had was their exact job duty. When it was explained it was their department's job to design the lingerie, pick the fabrics and colors, and provide it to Sales and Marketing, they seemed very relieved and excited to have the answer.

Sales and Marketing: the consultant felt there was some tension in the group over individual ideas. There was a discussion on some future ideas and the suggestions made by the consultant were noted. When this team did their final presentation, it was apparent they had pulled together and had no problems working together.

Advertising did not have any information from the other groups and felt they were the last ones to receive it, making it difficult to complete their project, because they may not get the information until the end of the class. They asked for help in having information provided to them on a timely basis. When this was relayed to the Board of Directors, they quickly held a managers' meeting. This helped, as Advertising was then able to express their problems to all groups leading to quick resolution.

The Internet Sales and Web design team was very open to ideas and suggestions. The members all showed genuine interest in what their group was assigned to do, and there were no noticeable conflicts.

Every company should have a Human Resources Department. The consulting team met with this group to do a few "mock" interviews. All the applicants picked up an application and scheduled an interview in which they would bring their application and a resume'. Although the positions being applied for were not actual openings for the company, the Human Resources Department was not prepared for the questions that we, the applicants, asked. For example, when applying for the Sales Department, it was asked if travel would be required, but Human Resources did not have that information available. As the consultant, our advice to them was to gather as much information as possible before doing interviews.

The Legal Department worked very well together and did not seem to be experiencing any inter-team problems.

The Board of Directors was where we noticed the first major problem developing in the company. They attempted to take a lead role and dictate to each individual group how they were to perform, but no one voiced their opinions until the project was well under way. This was met with a hostile reaction, complaints that the Board of Directors were "ball hogs" and trying to run the show, the rest of the class quickly agreed and it was voted that each department would do their own thing. The problem should have been detected in the beginning. The consultants clearly asked if there were any problems, and it was stated in one of the answers. It was the responsibility of the consultants to help counsel the groups; the entire episode could have been avoided had it been handled sooner.

What we found during this chaos was that each group of people, and department they represented, felt they could get the job that was asked of them done. Though some of the departments were not as glamorous as others, they began to form their own "clicks." It was interesting to see that when someone would try to speak to a group, its members would become very stand-offish and secretive about their work. Also, how others were treated, even though we were all classmates, was interesting. Students belonging to a different groups were, sometimes, actually treated as outsiders. We also

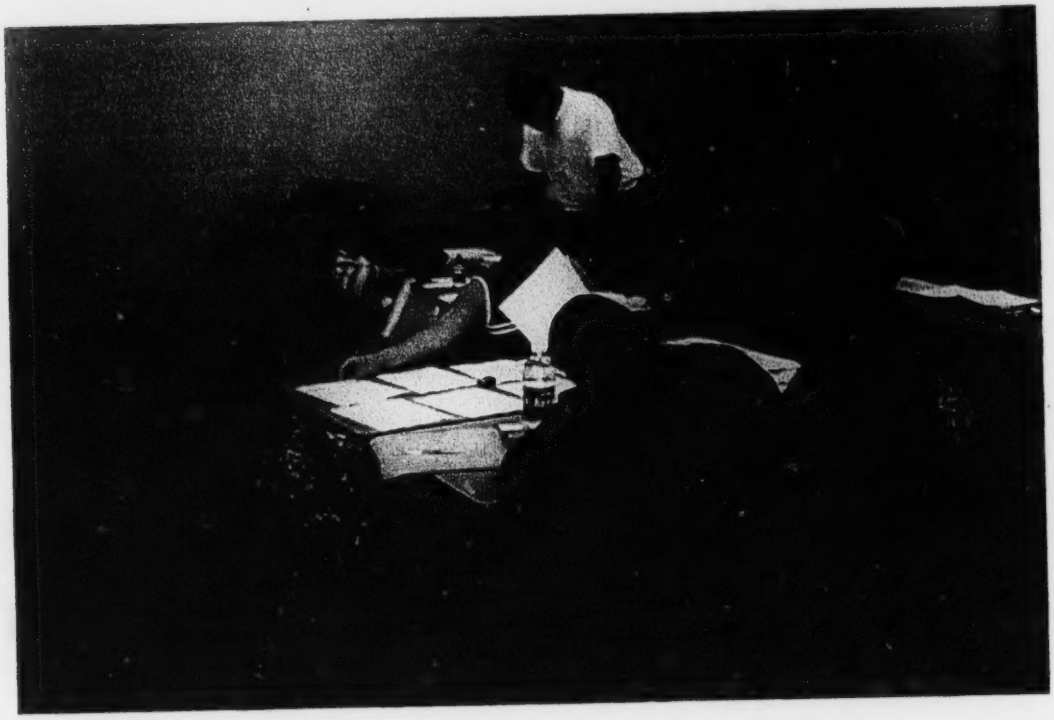
noticed that, even though all groups were working together towards the same goal, there was a competitive tension between individual departments. Although this subtle rivalry existed, the teams communicated and worked well together in completing the final project.

Communication is an essential factor when working as a team, promoting the overall goal of forming a corporation and producing the final product. Later into the class we found there were communication problems between departments. As we tackled these problems, by openly placing them on the table and opening up for discussion, they began to resolve themselves. People began to communicate. The elected managers of each department began to move from group to group, solidifying what information they needed to get the job done. They began to work together, gathering ideas from each other, working towards a common goal.

Team work can be detrimental to a company's success. It is unfortunate when some members of the team do not do what is expected of them, leaving the other members to carry the weight. We dealt with this problem primarily with one group. Again, as we presented the problem, we put it on the table and these issues resolved either by the group taking up the slack, or by giving that individual a part they felt would not be essential to the completion of the project. **It is amazing to see how certain personalities click together and work very well with each other while others repel like magnets.** What we found is that, when a problem surfaced, with the help of the neutral party, the issues were openly put on the table and dealt with by the groups. It was interesting to see the dynamics of each group taking place and how protective each group become of its own members. Even though we found within individual groups, some small problems and personality conflicts, along with the groups' interactions to perform their stated function this unique gathering of students showed expertise in developing a final project that was, in fact, outstanding.

When the presentations were given it was obvious which people were prepared, and which were not. All the groups involved gave excellent presentations and the team members pulled together, even at the last minute, to share with the class what had been developed over the past few weeks. It would be our recommendation that each of these groups' dynamics be incorporated in a startup company, regardless of size. This class is

probably a once in a lifetime experience because of the chemistry, the abilities of each class member and their uncanny ability to work together.



BEST COPY AVAILABLE

Conclusion

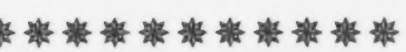
To you, participants in this wonderful and exciting project, I say "Thank you!"

Throughout my years of teaching I have encountered many groups of fine students but seldom, if ever, one as superb as you, the HB 400 class of April 2000.

Carlos A. Bonilla

And, above all, remember Albert Einstein's fine words:

"Great ideas often receive violent opposition from mediocre minds."



Unveiling The Hot Bodies 400 Spring 2000 Collection

Stockton

Paris

London

Milan

New York

Buenos Aires

Rio de Janeiro

97

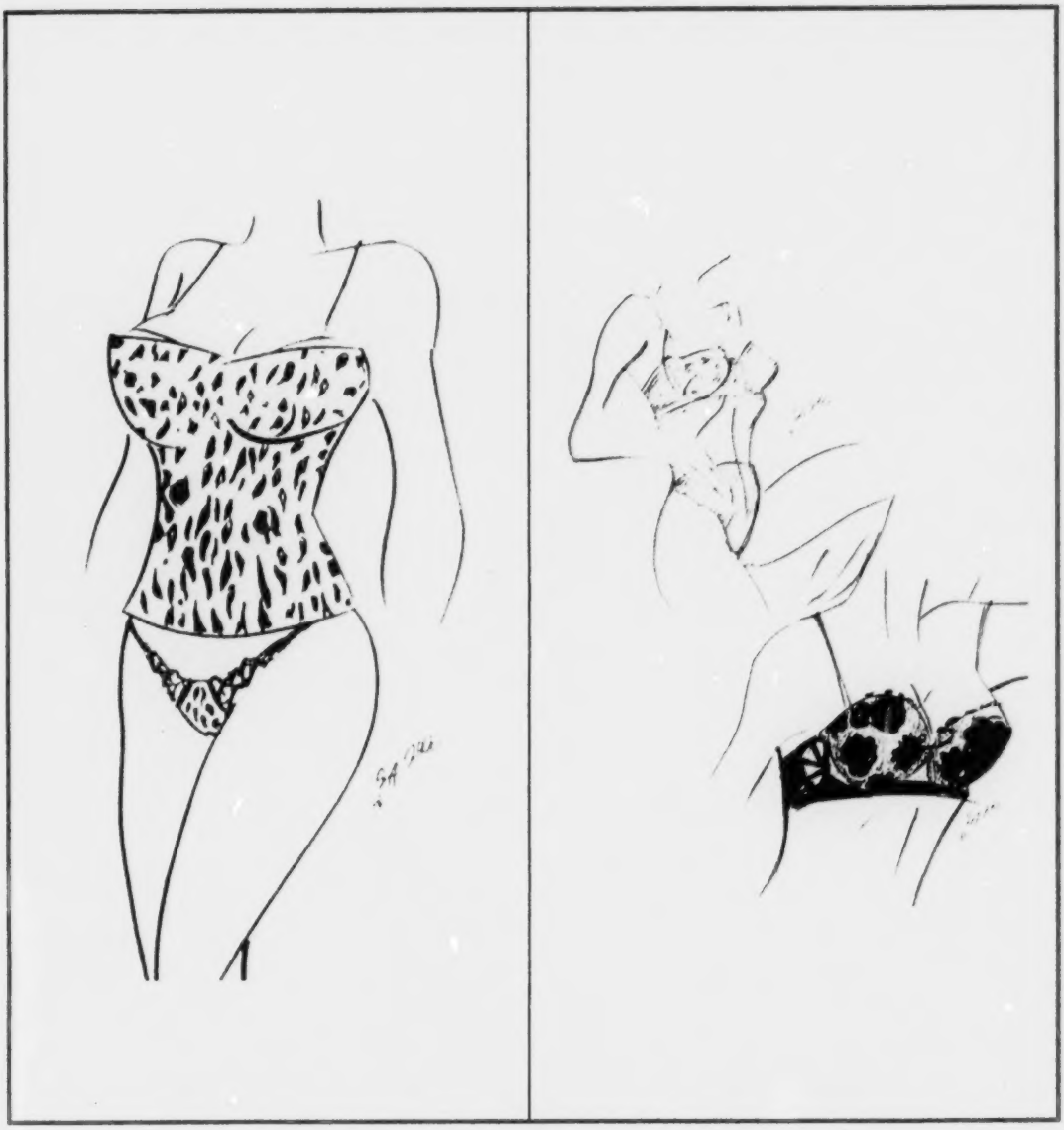
Hot Bods 400

Our Exotic Spring Collection

Do you love him? Introducing Hot Bods 400 Spring Romantic collection. It's all about you, Ohhhhhhhhh and him.

Do you feel sexy? Let us help you. Our spring collection is made with you in mind. Made from the finest materials, tailored to emphasize those curves you want to emphasize.

He will love you. . .you like no other . . . You will love how we make you feel.



From the Boardroom to the Bedroom!

The Authors

Hot Bodies 400

The Teams

Team 1 **Research and Development**	**Team 5** **Legal Department**
Esther Cardoza **Jennifer Fratta** **Kerstin Nance** **Nancy Nunes** **Jennifer Wimmer**	**David Moore** **Rich Nodlinski** **Kiersten Norton** **Ryan Schmidke** **Amy Willbanks**
Team 2 **Sales and Marketing**	**Team 6** **Human Resources**
Charlotte Hunter-Brown **Sunni Grant** **Edward C. Mata** **Stephanie Ramirez** **Dan Walters**	**Tanya Anderson** **Jacky Garrido** **Vern Haynes, Jr.** **Wilbur McCormick** **Kay Neely**
Team 3 **Advertising**	**Team 7** **Board of Directors**
Amber Anderson **Sherry Baker** **John Balacek** **Susan Davidson** **Theresa Dubuque**	**Kandy Bragg** **Cynthia Hong** **Rose Seldon** **Ben Vander Heiden** **Wendy Williams**
Team 4 **Internet Sales and Web Designs**	**Team 8** **Consulting**
Brad Leggs **Leticia Mendez** **Marie Moore** **Rachelle Schwerin**	**Teresa Butler** **Lisa M. Carter** **Austin G. Erdman** **Georgina Hutchens** **Brian A. Teausant** **Sorin Ven**

ACKNOWLEDGEMENT

We Thank Kathy L. Lauderdale for her assistance with the early editing of this work.

Order Form

Name: _____
Address: _____
City: _____ State: _____ Zip: _____

Please Send Me:

_____ TEAMWORK: PROBLEMS & SOLUTIONS
(ISBN: 1-87977-32-1) at the cost of $11.95 each.

_____ HOT BODIES 400 CORPORATION:
For What you Wear . . . or Wear Not.
(ISBN: 1-879774-31-3) at the cost of $24.95 each.

*Mailing Costs included.

All orders must be prepaid. No refunds. Please print information.

Make checks payable to:
Carlos A. Bonilla
1020 N. Commerce
Stockton, CA 95202

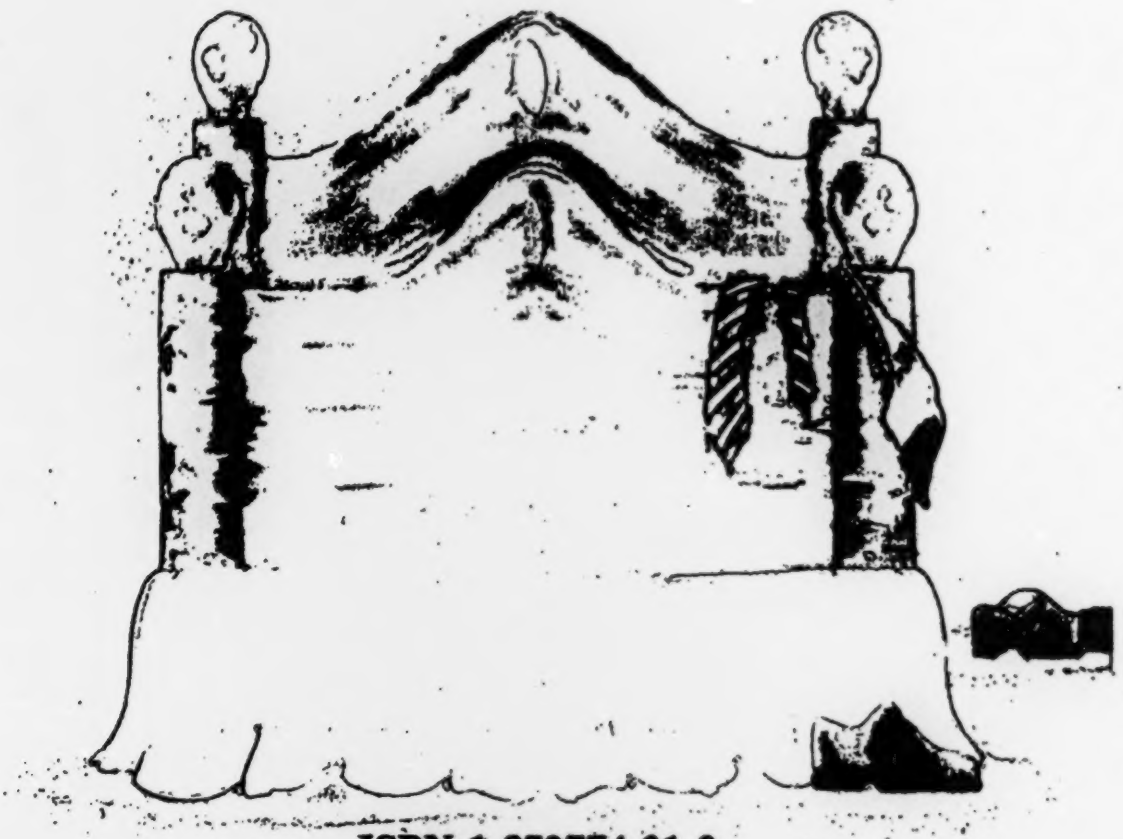
Thank you for your order!

Purchase Orders Accepted. P.O. # _____

We can provide special pricing for large quantities. Please call for details.

Phone: (209) 460-0622 FAX: (209) 938-0416 Email: **goss09@aol.com**
Or order any of Dr. Bonilla's publications online: **www.carlosabonilla.com**

Business/Behavioral Science



ISBN:1-879774-31-3
©2001 ICA Inc.

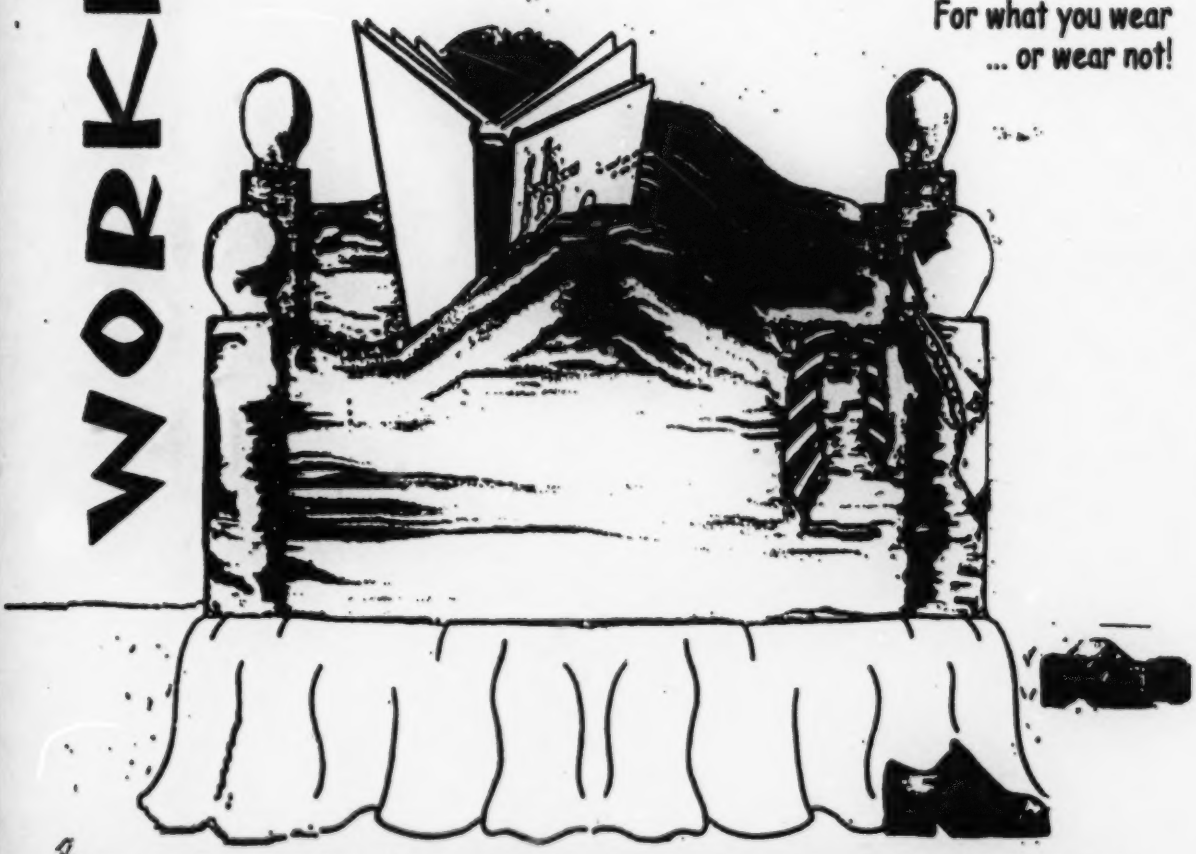
$19.95

www.carlosabonilla.com

TEAMWORK PROBLEMS & SOLUTIONS!

HOT BODIES

WORKBOOK



For what you wear
... or wear not!

Bennie Brasington, B.A. and Carlos A. Bonilla, PhD. CPC, Editors
Candace S. Righetti, Illustrator
©ICA Publishing, Inc. 2000

Hot Bodies 400 Corporation

WORKBOOK:

Problems and Solutions

© October, 2000

Authors
Bennie Brasington, B.A.
Carlos A. Bonilla, Ph.D., CPC

Cover Designer
Candace S. Righetti

Hot Bodies 400 Corporation
WORKBOOK: Problems and Solutions

Copyright ©, October, 2000
All rights reserved. Printed in the United States of America. No part of this book may be used or reproduced in any form or by any means, or stored in a database or retrieval system, without written permission of the publisher except in the case of brief quotations embodied in critical articles and reviews. Making copies of any part of this book for any purpose other than your own personal use is in violation of United States copyright laws.

For information or permission to reprint excerpts please contact:

ICA Inc.
1020 N. Commerce
Stockton, CA 95202

ISBN: 1-879774-32-1

Authors:

Bennie Brasington has ten years experience as a technical and freelance writer. He holds a B.A. in Communications from the University of West Florida and still takes time to work in the electronics industry, write about the Human Genome Project, play guitar, and catch a good movie. He also enjoys conversing with friends at a local Northern California bookstore café.

Carlos A. Bonilla is a certified professional consultant and advisor. He holds a doctorate degree in Molecular Biology and Human Genetics and was the recipient of a Career Development Award from the National Institutes of Health (NIH) Cardiac Functions Branch.

Cover Design:

Candace S. Righetti is co-founder of "Oh Yeah" Designs (www.ohyeahdesigns.com), a web page development company based in Lansing, Michigan. She has an A.A. in Commercial Art, a Certificate in Computer Programming, and is a member of the National Association of Photoshop Professionals (NAPP).

Note

The front and back cover illustrations for this workbook are an adaptation of Sherry Baker's original drawing for the cover of The "HOT BODIES 400 Corporation" book.

CANDACE RIGHETTI
Oh Yeah Designs

Hot Bodies 400 Corporation

WORKBOOK

In addition to carrying out the major work of developing a small corporation, students in the class were asked to confront issues affecting "real life" corporations.

This workbook presents some of the problems discussed and the solutions advanced, through consensus, by the student teams.

The questions and answers should serve as a useful adjunct to text material used by those who teach Human Behavior, entrepreneurship, team management, corporate development classes, workshops or seminars.

© 2000

Discussion Participants

TEAM 1
RESEARCH AND DEVELOPMENT
ESTHER CARDOZA
JENNIFER FRATTA
KERSTIN NANCE
NANCY NUNES
JENNIFER WIMMER

TEAM 2
SALES AND MARKETING
SUNNI GRANT
CHARLOTTE HUNTER-BROWN
EDWARD C. MATA
STEPHANIE RAMIREZ
DAN WALTERS

TEAM 3
ADVERTISING
AMBER ANDERSON
SHERRY BAKER
JOHN BALACEK
SUSAN DAVIDSON
THERESA DUBUQUE

TEAM 4
INTERNET SALES
BRADFORD LEGGS
LETICIA MENDEZ
MARIE MOORE
RACHELLE SCHWERIN

Discussion Participants (Continued)

TEAM 5
LEGAL DEPARTMENT
DAVID MOORE
RICHARD NODLINSKI
KIERSTEN NORTON
RYAN SCHMIDKE
AMY WILLBANKS

TEAM 6
HUMAN RESOURCES
TANYA ANDERSON
JACKY GARRIDO
VERN HAYNES, Jr.
WILBUR C. McCORMICK
KAY NEELY

TEAM 7
BOARD OF DIRECTORS
KANDY J. BRAGG
CYNTHIA A. HONG
ROSE A. SELDON
BEN VANDERHEIDEN
WENDY WILLIAMS

TEAM 8
CONSULTING
TERESA BUTLER
LISA CARTER
AUSTIN G. ERDMAN
GEORGINA HUTCHENS
BRIAN A. TEAUSANT
SORIN VEN

Why did you settle on the name "Hot Bodies - 400" for your START-UP company?

The course number is HB - 400 (HUMAN BEHAVIOR - 400) so Hot Bodies - 400 identified our work with this specific course. Additionally, it fulfilled the four basic elements of a good name:

1. It speaks directly to our products' target audience.
2. It motivates consumers to buy our products.
3. It sticks in consumers' minds; it is memorable.
4. It is distinctive enough to prevent its unauthorized use.

Questions Summary List

Is teamwork always the best approach to carry out a big, difficult project? . 1

How do you define an effective team? 2

What are some of the ways teams can work together . . .? . . 4

Team work and the manager's role 5

Managing tips for team leaders 6

Techniques for getting everybody on the same wavelength . . 7

My work team finds it difficult to agree on anything; can you help? . 8

People who offer suggestions that are ignored during meetings . . 9

What can I do to gain the respect of my team members? . . 10

Suggestions for people dealing with sexual harassment from work associates 11

What kind of questions are illegal when interviewing job candidates? . 12

Examples of legal questions which can be asked during interviews . . 13

Using teams correctly 14

Ways to bring team members together 15

Dealing with team members who do not "pull their weight" on team projects 16

Q **Is teamwork always the best approach to carry out a big, difficult project?**

A Although cooperative learning is at times poorly practiced, research still supports its effectiveness.

"All for One, One for All and Every Man for Himself." The concept effectively points out the misapplication of the concepts of teamwork in schools and the workplace.

The problem is that many cooperative learning programs are merely exhibitions of the willingness to work with others – they apply teams of people to do work that could be accomplished just as well by individuals. Successful programs focus on collaborative learning that fosters working together to solve problems beyond the capacity of any individuals.

In all fairness it would be difficult to imagine effective completion of the project undertaken by the HB400 class were it not for their tantalizing ability to cooperate within groups and between groups.

Q **With all our discussions about team work we still would like to have an answer to this question: How do you define an effective team?**

A In his book "Team Players and Teamwork" which -- in my opinion -- is the bible on the subject, Glen M. Parker listed twelve characteristics which distinguish effective teams and their players:

1. **Clear sense of purpose.** The team is clear about specifics -- meeting, agendas, assignments and milestones -- and knows how to focus on the task at hand.
2. **Informal climate.** Effective teams enjoy being together. Members often get together before or after meetings to talk about nonwork subjects.
3. **Participation.** Each member plays a role in achieving the team's shared goals or tasks, although not necessarily equally or in the same manner.
4. **Listening.** The ability of the members to listen is the most distinguishing factor of effective teams. They take in what is said without passing judgement. They acknowledge others' contributions and demonstrate interest in what other people have to say.
5. **Civilized disagreement.** Team members feel free to express opinions. Effective teams use problem-solving skills to resolve conflicts and increase group cohesion.
6. **Consensus.** A consensus requires unity but not unanimity. It is not a majority decision, but an agreement by everyone to support the outcome.
7. **Open communication.** Open communication requires trust among members, which builds over time. Team players encourage open communication by being dependable, cooperative and candid with others.
8. **Clear roles and work assignments.** Team members' roles must be clarified, decisions clear-cut and necessary follow-up actions planned.
9. **Shared leadership.** All members must take responsibility for meeting the team's needs because if the team fails, everyone fails.

10. **External relationships.** Effective teams develop a network of outside contacts – customers or managers of functional departments – who provide feedback, resources or other assistance to the team.
11. **Style diversity.** The most successful teams have members with different skills and personalities.
12. **Self-assessments.** Good teams assess their effectiveness–either informally or formally–every so often.

Q **In our company teams must cooperate with one another because the work is so closely related; when one team fails to produce the right product, or to meet a deadline, it has an immediate impact on the other teams' productivity.**

What are some of the ways for teams to work together for the good of the organization?

A Without cooperation among all teams, using the team concept to increase productivity, or to bring a given project to fruition, will not work. Suggestions:

- Develop good relations not just within teams but between teams.
- In today's workforce diversity is the rule and with diversity comes distinctive personalities, divergent points of view. Team members must show respect and consideration for those differences.
- Understand and respect the priorities of other teams in your company; expect the same from them.

Remember: One of the positive aspects of working in teams is the ability to make full use of diverse personalities and ideas.

Q **What would you advise?**

Here is the situation:

In my department there is no such thing as teamwork. When a job needs to get done, my team members take an "everyone for herself or himself" mentality. The result? Lots of conflict, lots of hard feelings, decreased productivity. What is the manager's role in this case?

A Teamwork by definition, arises from an understanding of the relationship between the individuals on the team; all team members possess certain talents, but they do not all possess the same talents.

Managers, then, should be adept enough to capitalize on this diversity and to encourage members of a team to believe and trust one another. If a manager places more importance in being part of an outstanding, highly productive group, than in managing a group of outstanding individuals, he fails to meet the fundamental needs of the team.

Q **Could you give me some quick, hot managing tips for team leaders?**

A Here are four essential tips:

1. Spell out the team's duties.
2. Show flexibility.
3. Involve the whole group.
4. Encourage safe confrontations; practice effective conflict resolution.

Don Montanaro, president of Suretrade, Inc., based in Lincoln, R.I. has good advice on this point:

> "I manage problems that come up with teams by getting people to try different approaches or look at different angles."

Comment: I manage a team whose members are energetic, bright, hard-working, with diverse backgrounds and skills, highly individualistic.

Q **What techniques are available for getting everybody on the same wavelength?**

A Here is how to make it happen:

1. Hold regular meetings. When employees discuss problems in a constructive atmosphere, their commitment to solve them is strong. Meetings should have a clear focus, i.e:
   - Research and development employees talk about how to develop new products faster, more efficiently.
   - Sales and marketing people talk about getting customer feedback.

2. Encourage people to share their opinions, that is, share managerial power with them; nothing kills a feeling of cooperation faster than being denied a voice despite being an active team member.

3. Encourage departments to talk with one another; avoid the "us versus them" phenomenon! Let them solve problems cooperatively.

Q **My work team finds it difficult to agree on anything; can you help?**

A To achieve consensus you must bring team members to a common understanding of the issues; give everyone a chance to discuss his/her perception of the situation or problem needing resolution. Open discussion, leading to clarification of opinions and facts, helps the team build consensus.

Q **I am the manager of a large department with more than 30 individuals. Frequently, during staff meetings, people of color offer suggestions only to be – for the most part – ignored; this bothers me but I am at a loss as to how to deal with the problem. Suggestions?**

A Support your staff, acknowledge their suggestions and open them up for general discussion; as the manager you are, in fact, the facilitator.
In addition:

- Set ground rules which include the importance of valuing everyone's opinion.
- Indicate your dissatisfaction when people's comments are ignored.
- Talk to the "people of color" about their perception of problems associated with working in your department.

Q **What can I do to gain the respect of my team members? Whenever I offer suggestions they simply do not pay attention.**

A Here is a useful strategy made-up of seven basic points:

1. Identify the primary reason(s) for dissent.

2. Ask for honest feedback. Are members tactful when offering suggestions?

3. Specialize:
   Become knowledgeable in one or two areas and leave the rest to your team members.

4. Sell others on the benefits of your ideas.

5. Draw your teammates out:
   What will it take to win them to your position?

6. Use a high emotional quotient:
   Forge an emotional connection with members of your team, then play to those emotions when trying to sell them on your ideas.

7. Look for compromise:
   When crafting solutions, mesh your ideas with those of your teammates; if they feel included they are more apt to adopt your approach.

Q **I filed a complaint with my Human Resources (HR) department because of repetitive sexual harassment from both my boss and my team leader. While HR said they would investigate, nothing really was done; although the behavior has stopped, retaliation against me has started. I am desperate, emotionally exhausted and scared. I am actively looking for a new job but having trouble coping with the pre-existing environment. I am now going to a therapist, hoping to cope in the meantime. Suggestions?**

A Good move in getting the help of a psychotherapist. Working in a hostile, retaliatory environment is extremely stressful and difficult.

Contact the California Department of Fair Employment and Housing (DFEH) or the Equal Employment Opportunity Commission (EEOC) and file a complaint. These agencies do follow up. If they find that the company failed to act on your initial complaint, it will be held in violation of the law.

All complaints of sexual harassment must be investigated. When employers fail to do so, they put their companies in jeopardy of major lawsuits and often, lose good employees!

Q **As members of the Human Resources team we want to know what kinds of questions are illegal when interviewing candidates for a job.**

A Generally speaking, interview questions should focus on the candidate's ability to do the prescribed job. The following questions are illegal:

1. How old are you?
2. What's your native tongue?
3. What's your marital status?
4. To what clubs do you belong?
5. How much do you weigh?
6. How is your family's health?
7. Have you had any recent illness?
8. Do you have children?

Title VII of the Civil Rights Act makes discrimination on the basics of race, sex, religion or national origin illegal in hiring decisions.

Q **What are some examples of legal questions which can be asked during interviews?**

A Examples of commonly asked legal questions are:

1. What language do you use when writing?
2. Would you be willing to work overtime if necessary?
3. Have you ever been convicted of a felony?
4. In what branch of the Armed Forces did you serve?

Comment: At the suggestion of a consultant I created a cross-functional team at my company. After six months little has been accomplished except holding lots of useless, time wasting meetings . . .

Q **. . . is it that I am just not a team player?**

A Your consultant's advice could be right; teams can work wonders, but only if used correctly. Before embarking on the formation of teams take the time to analyze these factors:

1. Is a team really required for your project?
   a. Do you already know the solution?
   b. Is any one individual who is a part of a team able to solve the problem if working alone?

   If your answer is yes to a, b or both you don't really need a team.

2. Does the team have a clear goal related to what needs to be accomplished?

3. As a manager are you willing to relinquish control and delegate responsibility to the team? If not, failure is likely to occur.

4. Teamwork, generally, tends to be slower at finding solutions to simple projects. Sometimes it is better, and faster, to have individuals tackle the project.

So the questions to answer, again, are: Does your project really require a team? Does it need a blend of skills which no single individual can provide?

Comment: We of the Board of Directors were given the task to oversee cooperative work within, and among, teams at Hot Bodies 400 Corporation. No question about it: the groups exhibited strong personalities and -- in some cases -- deep disagreements.

Q **What would be good ways for us to bring team members together?**

A These tips will help you elicit superb performances from the teams you supervise:

- Make sure you, the BOARD Members, fully understand your role as "facilitators," not "controllers" of the project.
- Make sure all individuals working on the project understand your role; do not leave anything to conjecture.
- Make sure everyone – within and between – is involved with developing the project. When people feel ignored, resentment ensues.
- Have the Board Members agreed on how to solve problems which may surface during the course of the project.
- Are Members of the Board ready to learn from prior mistakes without obsessing about them?
- Make sure as members of a BOARD of DIRECTORS you pay more attention to listening than to talking and attempting to exert control.

Follow these tips and your BOARD members will be fine facilitators; under the right conditions even a roomful of turkeys can be turned into a high-performing team.

Comment: Help! I have worked, for about a month, with a wonderful group of people (a team), at Hot Bodies 400 Corp. They are nice, convivial and -- for the most part -- hard working.

But now that the project is nearing completion, we have a problem: a member of our team has not done nearly as much work as the rest of us and has contributed little to our project. Result?

a. it makes us angry.

b. it has led to great frustration.

c. It has caused resentment.

In general we do not feel this individual should receive as good a grade as the rest of us nor should he/she benefit as much from the publication of our work.

Q **Dr. Bonilla, how should we handle this problem?**

A While sympathizing with your feelings of anger and frustration I must be pragmatic on this one; here is why:

1. The problem with "the slacker" should have been handled much earlier when, surely, you had began to notice it. To wait until the project is becoming finalized is not acceptable.

2. As responsible team members you, or your team manager, should have confronted this individual about the undue procrastination, early during the course of the project.

My advice is: on this occasion, swallow your pride and accept responsibility for your inability to confront the issue; "the slacker" gets the same grade for the course, and kudos for the publication, as the rest of your team!

Conclusion

to you, participants in this wonderful and exciting project, I say "Thank you"!

Throughout my years of teaching I have encountered many groups of fine students but seldom, if ever, one as superb as you, the HB - 400 class of April, 2000.

Carlos A. Bonilla

And, above all, remember Albert Einstein's fine words:

> "Great ideas often receive violent opposition from mediocre minds."

Note

This workbook may, but does not need to, be used in conjunction with "HOT BODIES 400 Corporation: for what you wear . . . or wear not," ISBN: 1-879774-31-3.

Order Form

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Please send me:

_____ TEAMWORK: PROBLEMS AND SOLUTIONS
(ISBN: 1-879774-32-1) at the cost of $ 9.95 each.

_____ HOT BODIES 400 CORPORATION:
For What You Wear . . . or Wear Not.
(ISBN: 1-879774-31-3) at the cost of $ 23.95 each.

* Mailing costs included.

All orders must be prepaid. No refunds. Please print information.

Make checks payable to:

Carlos A. Bonilla
1020 N. Commerce
Stockton, CA 95202

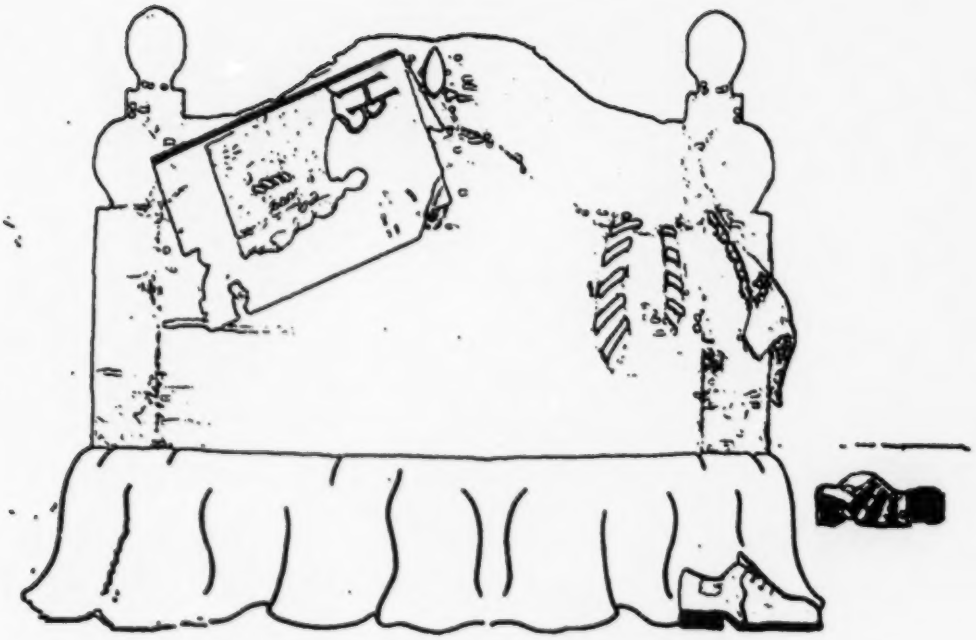
Thank you for your order!

Purchase Orders Accepted. P.O. # _____

We can provide special pricing for large quantities. Please call for details.

Phone: (209) 460-0622 FAX: (209) 938-0416 email: Goss09@aol.com

Behavioral Psychology/Management
Teamwork/Entrepreneurship/Business



www.carlosabonilla.com

ISBN:1-879774-32-1
©2000, ICA Inc.

$7.95

ISBN 1-879774-32-1

149

BEST COPY AVAILABLE